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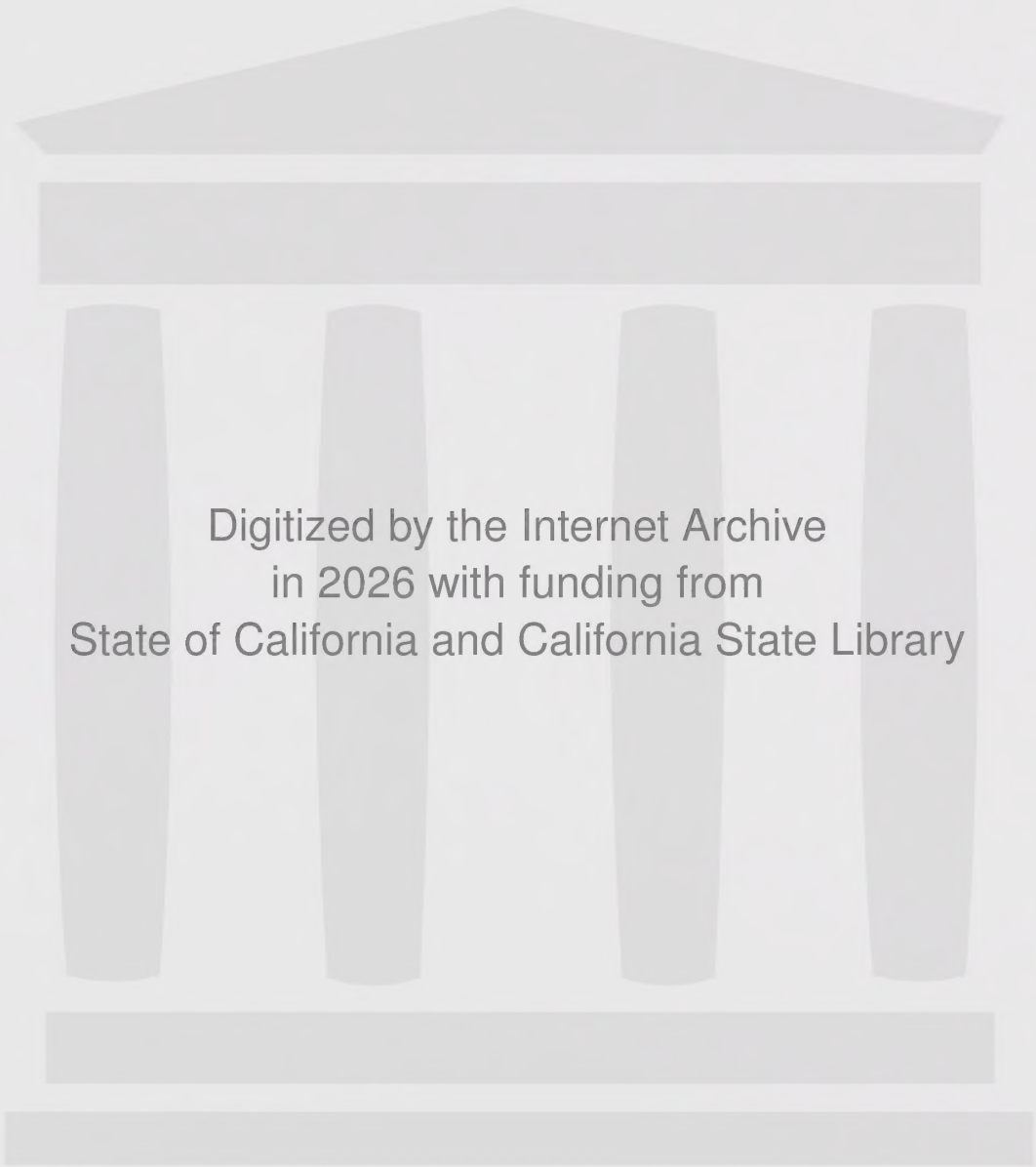
County of
Contra Costa
California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009

Stephen J. Ybarra
Auditor-Controller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County of Contra Costa, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2009

Stephen J. Ybarra, Auditor-Controller

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COUNTY OF CONTRA COSTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Introductory Section

Contra Costa County

Office of
COUNTY AUDITOR-CONTROLLER

625 Court Street
Martinez, California 94553-1282
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Stephen J. Ybarra
Auditor-Controller

Elizabeth A. Verigin
Assistant Auditor-Controller

December 18, 2009

Members of the Board of Supervisors and Citizens of Contra Costa County:

The Comprehensive Annual Financial Report (CAFR) of the County of Contra Costa (county) for fiscal year 2008-2009 is presented in compliance with California Government Code Sections 25250 and 25253. The Office of the County Auditor-Controller is responsible for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, prepared this report. We believe the data, as presented, is accurate in all material respects, presented in a manner designed to fairly set forth the financial position and changes in financial position of the county and its various funds, and includes all disclosures necessary to enable the reader to gain maximum understanding of the county's financial affairs.

Management of Contra Costa County is responsible for establishing and maintaining a comprehensive system of internal controls to ensure that the assets of the county are protected from loss, theft, or misuse, and that accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that those objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

For over 60 years, the policy of the county has been to require an annual audit of the financial statements of the county by independent, licensed certified public accountants. The Board of Supervisors selected the firm of Caporicci & Larson, Certified Public Accountants, to perform the fiscal year 2008 - 2009 audit.

The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of the CAFR.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all of its financial transactions. The accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to

accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which is located after the independent auditor's report. The letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it.

The CAFR is organized into three sections:

- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the county, the nature and scope of the services it provides, and the specifics of its legal operating environment.

- *The Financial Section* includes the independent auditors' report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.

- *The Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

Profile of the Government

Contra Costa County was incorporated in 1850 as one of the original 27 counties of the state. It is one of nine counties in the San Francisco-Oakland Bay Area. The county covers about 733 square miles: the western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial, and light industrial.

The county has a general law form of government. A five member Board of Supervisors, each elected to four-year terms, serves as the legislative body. A County Administrative Officer is appointed by the Board and runs the day-to-day business.

The county provides the full-range of services contemplated by statute. These services include public protection, highways and streets, sanitation, health and social services, planning and zoning, and general administrative services.

The county reporting entity includes all the financial balances and activities of the primary government as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable or other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would make the enclosed financial statements misleading or incomplete. For further information on component units, see Note 1.A in the "Notes to the Basic Financial Statements" in this report.

The reporting entity excludes certain separate legal entities that may have "Contra Costa" in their title, or that are required to keep their funds in the County Treasury, or receive their tax apportionment from the county. Examples are school districts, the community college district, cities, city redevelopment agencies, the Bay Area Rapid Transit District, the Metropolitan Transportation Commission, and a variety of special purpose districts for cemeteries, mosquito abatement, recreation and parks, etc. Those entities are autonomous organizations that

handle their own fiscal affairs and for which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying basic financial statements, except for their assets, principally cash and investments, which are held by the County Treasurer.

The annual budget serves as the foundation of the county's financial planning and control. The Board of Supervisors is required to adopt a proposed budget before the start of the fiscal year. The budget is prepared by fund, function (e.g. public protection), department (e.g. Sheriff), and object level (e.g. salary and benefits). Department heads, with the approval of the County Administrator, may make transfers within the department; however, transfers between departments require the approval of the Board of Supervisors. For further information on the budget, see the "Note to Required Supplementary Information" in the Required Supplementary Information (other than MD&A) section of this report.

Local Economy

As of January 1, 2009, the county's population was estimated at 1,060,435. This represents an increase of approximately 3.9% compared to the county's population as of January 1, 2005. A study prepared by the Association of Bay Area Governments projects a 36.0% increase in population between 2000 and 2040.

Between July 2008 and June 2009 the county's jobless rate increased from 6.3% to 10.8%, which was significantly below the statewide averages of 7.0% and 12.1%, respectively (not seasonally adjusted). The county's economy is very diverse: major industries include petroleum refining, manufacturing, electronic equipment, and utilities. The county consistently ranks as a leader in both per capita and household income.

The following charts present some pertinent five-year trends:

Population	
2005	1,020,898
# 2006	1,030,732
2007	1,042,341
2008	1,051,674
2009	1,060,435

Median Price of Existing Homes Sold		
# 2005	September	557,000
# 2006	September	559,000
# 2007	September	561,000
2008	September	300,000
2009	September	259,500

Retail Sales (Thousands)	
2005	13,480,075
# 2006	13,867,661
2007	14,086,295
2008	N/A
2009	N/A

Retail Sales Per Capita	
2005	13,204
2006	13,598
2007	N/A
2008	N/A
2009	N/A

Revised
Source: California Department of Finance

Economic Challenges

Like most counties in the United States, Contra Costa County is experiencing a period of dramatic change caused by the severe recession. A large drop in revenues, coupled with large increases in mandatory expenses (e.g.,

Food Stamps, General Assistance, CalWORKs, Health Care, and future pension contributions) has challenged the Board of Supervisors throughout the year. As a result, the county had to find immediate ways to restructure its budget to maintain core services and reduce ongoing expenditures.

During the fiscal year, the Board of Supervisors took actions to reduce the county and special district budgets by over $90 million. The following is a summary of those actions:

- On May 6, 2008, the Board of Supervisors adopted a fiscal year 2008 - 2009 budget that included over $52 million in General Fund reductions and over $55 million in local cuts to baseline services.

- On August 12, 2008, the Board of Supervisors received a report stating that anticipated assessed valuation had dropped from a projected 4% to .21% countywide. The lack of growth in assessed valuations translated to loss of anticipated General Fund revenue in the current year of $6.6 million and included over $12 million in countywide loss from property tax revenue. The County Administrator was directed to return to the Board with rebalancing solutions.

- On October 28, 2008, the Board met and adopted recommended fiscal year 2008 - 2009 local departmental cuts in the following funds/amounts: General Fund reduction of $7.6 million ($6.6 million property tax, $1.0 million supplemental); Library Fund reduction of $0.8 million; Contra Costa County Fire Protection District reduction of $3.5 million; and East Contra Costa County Fire Protection District reduction of $1.4 million.

  Additionally, due to further economic uncertainty, the County Administrator recommended, and the Board authorized, the Auditor-Controller to reduce the General Fund Reserve Designation by $10 million and to transfer those funds to an appropriation for contingency. In effect, this action 'budgeted' $10 million of one-time reserves in the current fiscal year budget. That action was recommended in case of further loss of General Fund revenue and was not to be construed as a cushion for any known problems. The plan was for the County Administrator to continue to work with departments throughout the year to achieve balanced year-end expenditures and to implement a no-growth fiscal year 2009 - 2010 budget.

  It was anticipated that a no-growth budget would include significant additional reductions for increased cost of doing business due to forces not within the county's control.

- On November 18, 2008, the Board of Supervisors held a Budget Rebalancing/State Budget Workshop to discuss pending impacts on the fiscal year 2008 - 2009 budget. The County Administrator presented cost reduction options to rebalance the fiscal year 2008 - 2009 budget to reflect state cuts and other revenue loss. The options presented would rebalance the fiscal year 2008 - 2009 budget to reflect the known impact of state cuts and other local economic impacts on Employment and Human Services.

  The Board acknowledged the irony that because the county exists primarily to serve the most vulnerable populations, cuts in services necessarily affect the most vulnerable populations. Our county's problems are not unique in this respect, but indicative of local governments nationwide.

- On January 20, 2009, the Board of Supervisors accepted a report regarding national and local economic impacts on Contra Costa County. In summary, the report noted the importance of the Board and community receiving local and national economic impact information in the context of potential impacts

on services to Contra Costa County residents. It was noted that the magnitude of loss of revenue and increased service level demand in Contra Costa is more easily understood in the context of the national and local economy.

- **Property Tax Revenues.** As has been widely communicated, the decline in growth of assessed value between fiscal years 2007 – 2008 and 2009 – 2010 was over 15%. The Contra Costa County Fire Protection District, East Contra Costa Fire District, and County Library also have property tax reductions.

- **State Budget Impacts.** Consistent with Board policy, when the state cut revenues used for specific county programs, the County Administrator made recommendations for reductions in those specific program areas. It is clear that Contra Costa is unable to back-fill loss of state and federal funding with county resources.

- **Reduced Revenues.** Most departments experienced reductions in their revenue streams. Departments developed plans to absorb those reductions through program cuts and reduced expenditures.

Long-term Financial Planning

The County Administrator is committed to prudent fiscal management and engages in targeted long-term financial planning when possible and appropriate.

Facilities Life-Cycle Investment Program and a Facilities Condition Assessment Action Plan

The Facilities Life-Cycle Investment Program and Facilities Condition Assessment Action Plan conducted in fiscal year 2007 - 2008 resulted in a comprehensive database that catalogs current deferred maintenance and future capital renewal costs for county buildings. The facility condition report was used to establish a qualified and prioritized list of facility repair needs for county buildings. The deferred maintenance and capital renewal needs were projected over a (10) ten-year period and totaled $251.2 million. The needs were organized into four categories based on level of priority. The distribution of costs by level of priority is as follows:

Priority 1 – Currently Critical	$ 2,059,913
Priority 2 – Potentially Critical	$ 25,881,877
Priority 3 – Necessary, but not Critical	$ 175,052,172
Priority 4 – Necessary, within 6 – 10 years	$ 48,180,568

This information will allow staff to perform the following:

- Establish credible information for qualified decision-making and budgeting.
- Prioritize short-term maintenance plans and identify long-term strategies.
- Identify and estimate the cost of current deferred maintenance backlog.
- Define equity and parity issues to guide equitable funding decisions.
- Forecast future expenditures.

Due to budget reductions and deteriorating economic conditions, projects were limited to $1 million in fiscal year 2008 - 2009 and were funded in the Criminal Justice Construction Fund from fine and fee revenue for Law and Justice Department buildings. The General Services Department has developed a recommended schedule of projects, which will be reviewed during budget negotiations for fiscal year 2010 - 2011.

County's long-term liability for Other Postemployment Benefits (OPEB).

The county established a task force to manage the county's long-term liability for Other Postemployment Benefits (OPEB). The Board of Supervisors established goals to guide the county's OPEB work that include the following: 1) comply with Governmental Accounting Standards Board (GASB) Statement 45; 2) adopt an OPEB financing plan that balances the requirement to provide public services with competitive health care benefits for county employees during their employment and retirement; and 3) pursue and support federal and state legislation.

To achieve the Board's goals, the OPEB Task Force utilized the breadth of expertise available within the county and through professional contracts in each of the following areas: financial, audit, budgetary, personnel, labor relations, benefits, and legal. The importance of incorporating the perspective of all stakeholders also is being addressed.

The Board of Supervisors, through the work of the Task Force, either has accomplished or set a timeline to accomplish the following tasks.

- **Economic Census Assumptions and Rationales.** Prior to ordering the first formal OPEB liability valuation, the OPEB task force met with actuaries from Buck Consultants and developed economic census assumptions and rationales for the actuarial valuation.
- **Funding Strategy.** For over (40) forty years, the county has paid for health care costs on a pay-as-you-go ("pay-go") basis. The Board has publicly acknowledged the necessity to partially pre-fund the health care costs. Due to the size of the liability, it is almost impossible for the county to fully pre-fund the liability; therefore, partial pre-funding will be phased in over (30) thirty years. It is the Board's intent to fully pre-fund OPEB benefits over time.
- **Funding Levels.** The Board established an initial pre-funding target for the county of 100% of its retirees, which currently translates to approximately 40% of the total OPEB liability. During the next (30) thirty years, the county will need to incorporate updated demographics and cost information into its financing plan to fully fund its OPEB benefits.
- **The Board considered a variety of items when they established the target level:** 1) the specific funding guidelines for financial long-term obligations; 2) the government-wide statement of net assets impact of various funding levels; 3) the liability impact of various funding levels; 4) the volatility of the assumptions/risk of funding; and 5) the ability to fund/affordability.
- **Pre-Funding Resources.** As an initial step towards funding the OPEB liability, the Board of Supervisors adopted the allocation of resources (and the future investment income earned) totaling $588 million (plus interest) reserved by the end of fiscal year 2022 - 2023, and $100 million added annually thereafter.
- **Employee Communication Forums and Information Sessions.** The County Administrator scheduled OPEB informational sessions throughout the county for employees. The purpose of the presentations was to provide information regarding OPEB, to answer employees' questions, and to seek input from employees regarding possible solutions.

- **Establishment of a Trust Fund.** The Board approved an irrevocable trust (Internal Revenue Code Section 115) for OPEB funding for Contra Costa County on January 15, 2008. The purpose of establishing the Trust was to comply with GASB to establish a mechanism for 1) saving OPEB funds; 2) earning interest; and 3) discounting the county's liability.
- **Selection of a Benefit Design Consultant.** The county selected and contracted with a Benefit Design consultant to assist in identifying cost control options.
- **Pre-Funding Allocations.** In fiscal year 2008 - 2009, the county partially pre-funded the OPEB liability by allocating $20 million to the OPEB trust. The county has budgeted an additional $20 million to the OPEB trust for fiscal year 2009 - 2010.
- **Health Care Changes.** In the summer and fall of 2008, the Board approved changes to health care benefits for unrepresented employees, appointed and elected officials, and persons who retired from classifications that were unrepresented, appointed, or elected. The changes, in combination with the actions listed above, reduced the county's total liability.

The Board of Supervisors' actions, to date, have had a significant impact on the county's original 2006 OPEB liability of $2.6 billion and annually required contribution (ARC) of $131 million. The projected valuation was reduced to $1.7 billion total liability and annually required contribution of $129.4 million.

Relevant Financial Policies

The Board of Supervisors operates under a comprehensive set of financial management policies, as described below.

Reserves Policy. The Reserves Policy requires the county to maintain a General Fund balance equal to a minimum of 10% of General Fund revenues and an unreserved balance equal to a minimum of 5% of General Fund revenues. Reserves exceeding the minimum are applied only to one time uses, such as additional reserves or capital projects, up to an amount equal to 1% of General Fund revenues. The reserves only can be used in emergencies and if accompanied by a Board-approved plan to restore reserves to the target levels. The county's audited financial report for fiscal year 2008 – 2009 confirms compliance with the reserves policy: the total General Fund balance was 10.7% of General Fund revenues and the unreserved portion was 8.6%.

Budget Policy. The objectives of the Budget Policy are to establish best practices for the county's budget process and requirement for preparation of multi-year budget projections. Among other things, the Budget Policy requires the adoption of structurally balanced budgets and requires mid-year updates on budget status by department, with corrective actions presented to the Board within 30 days for any cost centers over budget.

Debt Management Policy. The Debt Management Policy (Policy) formalized guidelines for the issuance and management of various types of debt instruments and other financial obligations. The Debt Management Policy provides that the county will undertake multi-year capital planning and sets forth guidelines for the term of debt issues, refunding savings targets, and other structural debt features.

The Debt Management Policy established a Debt Affordability Committee (DAC) that establishes the viability of any proposed debt-financing, monitors and evaluates the county's performance against various debt ratio benchmarks, and annually prepares a comprehensive debt capacity report for the County Administrator. The

DAC monitors specific statistical measures and compares them to those of other counties, rating agency standards, and the county's historical ratios.

The report shows that even with relatively weak performance, the county has maintained the same double-A credit ratings than stronger performing counties maintain. This achievement is due, in part, to the county's adherence to its financial management policies and the underlying strength of the county's wealth and demographics. In addition, the county's conservative fixed-rate debt portfolio has shielded the county from the serious and expensive disruptions in the variable rate market since the current financial crisis emerged in the fall of 2007. Nevertheless, the DAC again recommended that the county work toward improving its comparative credit performance so that the gap between the county and its cohort counties is reduced. Important elements under the county's control that would reduce the gap include:

- Increasing the unreserved General Fund balance percentage from the fiscal year 2008 – 2009 level of 8.6% toward the California cohort median (17.5%);
- Continuing to issue debt prudently and structuring debt issues conservatively to achieve low borrowing costs and maximum federal and state reimbursements, which is already required under the Policy;
- Maximizing the county's opportunity to earn allowable arbitrage interest on all indentured funds (such as reserve funds), which is a practice the county implemented with the assistance of a registered investment advisor;
- Monitoring the market for refunding opportunities to reduce debt service costs for capital projects and pension costs; and,
- Evaluating alternative funding sources to reduce reliance on issuance of lease revenue bonds.

Investment Pool Rating. The Contra Costa County Investment Pool was rated by Standard & Poor's (S & P) on March 31, 2009. The Pool was assigned a fund credit quality rating of "AAAf" and a fund volatility rating of "S1+." The "AAAf" rating is S & P's highest fund credit quality rating with the "S1+" volatility rating reflecting low sensitivity to changing market conditions. In order to maintain current and accurate ratings, S & P monitors the portfolio holdings on a regular basis. The Pool has maintained its AAAf and S1+ ratings since first rated in November 2007.

Workers' Compensation. The Board maintains a Workers' Compensation Internal Service Fund funding policy. The objective of the policy was to establish a targeted minimum confidence level of 80%. The objective again was exceeded during fiscal year 2008 – 2009.

Major Initiatives

Automation of the Board Agenda Process

In February 2009, the County Administrator's Office, on behalf of the Board of Supervisors, implemented an automated Board Agenda system in order to streamline the laborious process of preparing and reviewing agenda items and the weekly Board agenda and meeting packet; increase accountability in the review process; and leverage limited resources. The new system allows users to create and submit agenda items electronically, automatically route the agenda and packet, and publish the agenda and packet on the county's website. In addition to streamlining the agenda preparation, the new system also increases staff and public access to agenda materials and conveniently sends to people on user-created distribution lists an email that contains a link to the

official minutes for an item, providing a record of the Board's final action. The electronic system has the potential for eliminating paper copies since all of the agenda documents are available on line. Staff and members of the public can print only those sections they need rather than the entire packet. Historical documents can be retrieved and re-used, reducing data input, saving time, and freeing up staff for other tasks.

Implementation of an Integrated Law and Justice Case Management System

In September 2008, the county selected a system and entered into a contract to implement a new integrated case management system to replace its aging Law & Justice Information System. The new system will enable the county to integrate with the Statewide Court System when that system is eventually implemented by the Contra Costa County Superior Court. The new system will enable justice departments to automatically generate forms and reports, compile statistics, monitor offender compliance, store interview and data collection details, control workflow, and manage work queues. The new system also allows sharing of case management data with multiple agencies, divisions, sub-agencies and jurisdictions, and provides virtual file storage for mug shots, 9-1-1 calls, scanned incident reports, etc.

Expansion of County Web Site Data/Board of Supervisor's Standing Committees

In January 2009, the County Administrator began publishing on the county's web site all agendas and reports for the Board of Supervisor's Standing Committees: Airport Committee; Family and Human Services Committee; Finance Committee; Internal Operations Committee; Legislation Committee; Public Protection Committee; and Transportation, Water, and Infrastructure Committee.

Established an Internal Service Fund for Fleet Services

Using seed funding from the Vehicle Replacement Reserve Fund, the county established a Fleet Internal Service Fund (ISF) as part of the fiscal year 2008 – 2009 budget adoption. The seed money was used to more aggressively replace aging vehicles in order to lower the average age of the fleet vehicles, take advantage of manufacturer warranties, and reduce maintenance and repair costs. In the first year of operation, more vehicles were replaced for ISF classes (108 for fiscal year 2008 – 2009 versus 69 for fiscal year 2007 – 2008) and vehicle replacements were timelier.

Weatherization Program

The county weatherized over 200 residences using U.S. Department of Energy Grants and obtained an additional $3.2 million in grants to expand the program.

Neighborhood Preservation Program

The county successfully rehabilitated 30 residences utilizing federal funds from the Community Block Grant and HOME programs.

Capital Road Improvement Program

The Public Works Department has once again been successful in its strategic objective to better focus on increasing revenues from various grant programs for the Capital Road Improvement Program. The Department successfully obtained $12.5 million in American Recovery and Reinvestment Act (ARRA) funds for two projects on Vasco Road. This large amount was possible due to the state of readiness of the Vasco Road Safety Project,

which received $10 million for Phase 1. The Department also completed the design and awarded contracts for two major bridge projects.

Project Second Chance (PSC)

The Contra Costa County Library's Adult Literacy program is celebrating 25 years of providing free, confidential, one-on-one literacy instruction to English speaking adults who read on less than a sixth grade level. One of the original 27 adult literacy programs funded by the California State Library in 1984, PSC has trained 3,020 volunteers. Those volunteers have donated over 300,000 hours tutoring 4,504 county residents so that they can read to their children, advance in their jobs, write to family and friends, follow directions, acquire their high school diplomas, vote, and perhaps most important of all, feel better about themselves.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Contra Costa County for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the twenty-seventh consecutive year the county has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Office of the Auditor-Controller. I would like to express my appreciation to all members of the Office who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors and the County Administrator for conducting the financial operations of the county in a responsible and progressive manner.

Respectfully submitted,

Stephen J. Ybarra

Auditor-Controller

COUNTY OF CONTRA COSTA

PUBLIC OFFICIALS

June 30, 2009

ELECTED OFFICIALS

Supervisor, District 1	John M. Gioia
Supervisor, District 2	Gayle B. Uilkema
Supervisor, District 3	Mary K. Piepho
Supervisor, District 4	Susan A. Bonilla
Supervisor, District 5	Federal D. Glover
Assessor	Gus S. Kramer
Auditor-Controller	Stephen J. Ybarra
Clerk-Recorder	Stephen L. Weir
District Attorney-Public Administrator	Robert J. Kochly
Sheriff-Coroner	Warren E. Rupf
Treasurer-Tax Collector	William J. Pollacek

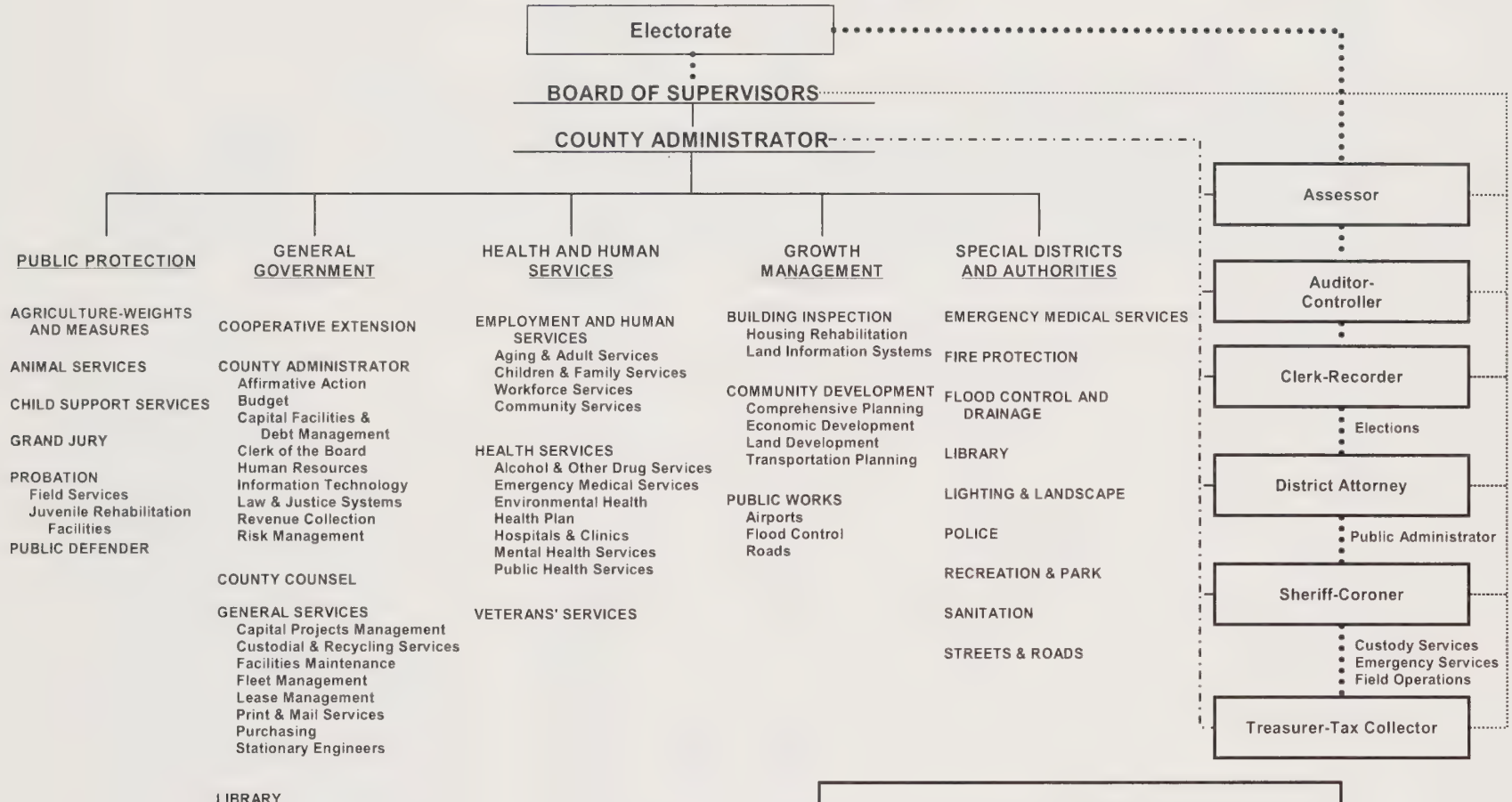
APPOINTED OFFICIALS

County Administrator	David Twa
County Counsel	Silvano Marchesi
County Librarian	Anne Cain
County Probation Officer	Lionel Chatman
Director of Animal Services	Glenn Howell
Director of Child Support Services	Linda Dippel
Director of Conservation and Development (Interim)	Catherine Kutsuris
Director of Community Services	Pat Stroh
Director of Cooperative Extension	Shelley Murdock
Director of Employment and Human Services	Joseph Valentine
Director of General Services	Michael Lango
Director of Health Services	William Walker, MD
Director of Human Resources/Assistant County Administrator	Ted Cwiek
Director of Public Works	Julie Bueren
Agricultural Commissioner-Director of Weights and Measures	Vincent L. Guise
Chief Information Officer	Ed Woo
Public Defender	David Coleman III
County Veterans' Services Officer	Phillip Munley
Contra Costa County Fire Protection District	Chief Keith Richter
Crockett-Carquinez Fire Protection District	Chief Jerry Littleton, Jr.
East Contra Costa County Fire Protection District (Acting)	Chief Hugh Henderson

AFFILIATED ORGANIZATIONS

Administrator, Contra Costa County Employees' Retirement Association	Marilyn Leedom
Executive Director, Housing Authority of the County of Contra Costa	Joseph Villarreal
President, Director, County of Contra Costa Public Facilities Corporation	John E. Whalen
Executive Director, First 5 Contra Costa Children and Families Commission	Sean Casey
Executive Director, County of Contra Costa Public Financing Authority	David Twa
Executive Director, Contra Costa County Redevelopment Agency	David Twa
Executive Director, In-Home Supportive Services Public Authority	John Cottrell

Organizational Chart of Contra Costa County



Elected by the Public

Elected Officials: Statutorily-Required Board Administrative and Budget Oversight

Administrative and Budget Direction

Administrative Coordination and Budget Oversight

AFFILIATED ORGANIZATIONS

EMPLOYEES' RETIREMENT ASSOCIATION

HOUSING AUTHORITY (1)

PUBLIC FACILITIES CORPORATION

REDEVELOPMENT AGENCY (1)

PUBLIC FINANCING AUTHORITY (1)

FIRST 5 CONTRA COSTA CHILDREN & FAMILIES COMMISSION

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (1)

1. Authority/Agency Board is the Board of Supervisors

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Contra Costa California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Financial Section

C&L
Caporicci & Larson
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Supervisors
of the County of Contra Costa
Martinez, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the County of Contra Costa, California (County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the following component units:

- Contra Costa County Employees' Retirement Association, which represents $4,608,219,000 of assets of the Fiduciary Funds.
- Housing Authority of the County of Contra Costa, which represents $70,169,000 of assets and $94,279,000 of revenue of the business-type activities. The Housing Authority included the following blended component units:
    - Casa Del Rio Senior Housing Associates, L.P.
    - De Anza Gardens, Limited Partnership
    - De Anza Housing, Corporation
- FIRST 5 Contra Costa Children and Families First Commission, which represents $54,145,000 of assets and $13,001,000 of revenues and is presented as a discrete component unit.

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements of the County, insofar as it related to those amounts included for the above mentioned component units in the accompanying basic financial statements of the County, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Subsequent to the basic financial statements date of June 30, 2009 and the year then ended, the State of California (State) has borrowed, deferred paying certain revenues and proposed taking other funds from local governments including the County. These actions by the State include:

- 8% of Property Taxes borrowed – to be repaid in 3 years
- Redevelopment Agency funds – prepared to be taken for fiscal year 2010

These above amounts are very significant to the local governments and may affect their ongoing operations. Certain lawsuits are in process to stop such State actions. For more detailed information, see Note 20.B attached in the Notes to Basic Financial Statements.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, a discrete component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

In accordance with *Government Auditing Standards,* we have also issued our report dated December 18, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on the Required Supplementary Information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Supplementary Information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Caporicci & Larson

Oakland, California
December 18, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Contra Costa's Comprehensive Annual Financial Report presents a discussion and analysis of the financial activities of the county for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our Letter to the Board of Supervisors and Citizens of the County.

Financial Highlights

- The government-wide assets of the county exceeded its liabilities at the close of fiscal year 2008-2009 by $796,861,000 (net assets), a 13.6% decrease from the prior year. Of this amount, $598,713,000 was invested in capital assets, net of related debt, an increase of 2.8%. Of the remaining net assets, $396,033,000 was restricted for specific purposes (restricted net assets), a decrease of 2.3%, and $(197,885,000) was available to meet the county's ongoing obligations to its citizens and creditors (unrestricted net assets), a decrease of 205.6%. This significant decrease to unrestricted net assets is mostly due to an increase in the county's net OPEB obligation for the primary government of $91,353,000 and decreases to unrestricted revenues, most notably in grants, investment income, and other revenue.

- As of June 30, 2009, the county's governmental funds reported, in the fund financial statements, ending fund balances of $539,723,000, a decrease of 4.6% from the prior year. Of this total amount, $373,457,000 (69.2%), was unreserved fund balance.

- As of June 30, 2009, unreserved fund balance for the General Fund was $105,260,000 or 8.6% of total General Fund revenues of $1,221,241,000.

- Net assets of the internal service funds was a surplus of $47,762,000, an increase of $5,017,000 from the prior year. This increase to the surplus is a result of the initial set up activities for the Fleet Services Internal Service Fund.

- The county's total debt decreased by $25,321,000 (2.2%) during fiscal year 2008-2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are comprised of three parts as follows: (1) **government-wide** financial statements; (2) **fund** financial statements; and (3) **notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business.

The **statement of net assets** presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The **statement of activities** presents information showing how the county's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the county that principally are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public protection, health and sanitation, public assistance, education, public ways and facilities, and recreation and culture. The business-type activities of the county include the County Hospital, Airport, Housing Authority, Sheriff Law Enforcement Training Center, Child Care, Major Risk Medical Insurance, Health Maintenance Organization Medi-Cal Plan and Health Maintenance Organization Commercial Plan.

Fund Financial Statements

The fund financial statements report groupings of related accounts and are used to maintain control over resources that have been segregated for specific activities and objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories as follows: (1) **governmental** funds, (2) **proprietary** funds, and (3) **fiduciary** funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the county's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains 28 individual governmental funds (e.g. general fund, special revenue funds, debt service funds, capital projects funds and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Contra Costa County Fire Protection District Special Revenue Fund, and Land Development Special Revenue Fund which are considered to be major funds. Data from the

other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The county adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds used by the county are of two different types as follows: (1) enterprise funds, and (2) internal service funds. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the enterprise funds sections of the proprietary fund statement of net assets and in the proprietary fund statement of revenues, expenses, and changes in net assets for the County Hospital Enterprise Fund and Housing Authority Enterprise Fund, which are considered to be major funds. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor enterprise funds is provided in the form of combining statements and schedules elsewhere in this report.

- **Internal service funds** are used to accumulate and allocate costs internally among the county's various functions. The county uses internal service funds to account for its administrative costs and payment of claims for its various insurance programs to protect county assets and employees. During fiscal year 2008 – 2009, an internal service fund for fleet services was established to account for the rental of motor vehicles to other departments and related costs. The internal service funds are allocated between the governmental functions and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of entities legally separate from the county and individuals, which are not part of the reporting entity. The Contra Costa County Employees' Retirement Association (CCCERA) pension plan, the Contra Costa County Other Postemployment Benefit (OPEB) irrevocable trust fund, the county's investment trust fund, private-purpose trust fund, and agency funds are reported under fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the county's major governmental funds budget and actual comparisons, and schedule of funding progress for other postemployment benefits. Progress in funding its obligation to provide pension benefits to employees is included in the CCCERA report.

Combining Statements and Schedules

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information (other than MD&A).

Component Units

The blended component units, as described in Note 1.A in the "Notes to the Basic Financial Statements," are included in all three parts of the county's basic financial statements. The county and its blended component units constitute the primary government. In addition to the blended component units, the government-wide financial statements and the notes to the basic financial statements also include the discretely presented component unit described in Note 1.A in the "Notes to the Basic Financial Statements."

GOVERNMENT-WIDE FINANCIAL ANALYSIS

COUNTY'S NET ASSETS
June 30, 2009
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2009	2008	2009	2008	2009	2008	Percent Change
Assets:							
Current and other assets	$ 1,375,574	1,660,257	134,171	119,449	1,509,745	1,779,706	(15.2) %
Capital assets	821,326	792,982	202,607	208,803	1,023,933	1,001,785	2.2
Total assets	2,196,900	2,453,239	336,778	328,252	2,533,678	2,781,491	(8.9) %
Liabilities:							
Current and other liabilities	134,690	352,972	83,825	63,438	218,515	416,410	(47.5) %
Long-term liabilities	1,351,758	1,270,592	166,544	171,958	1,518,302	1,442,550	5.3
Total liabilities	1,486,448	1,623,564	250,369	235,396	1,736,817	1,858,960	(6.6) %
Net Assets:							
Invested in capital assets, net of related debt	543,582	524,350	55,131	57,778	598,713	582,128	2.8 %
Restricted	369,912	380,563	26,121	24,591	396,033	405,154	(2.3)
Unrestricted	(203,042)	(75,238)	5,157	10,487	(197,885)	(64,751)	(205.6)
Total net assets	$ 710,452	829,675	86,409	92,856	796,861	922,531	(13.6) %

Analysis of Government-Wide Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The county's total assets exceeded total liabilities by $796,861,000 at June 30, 2009. The largest portion of the county's total net assets, $598,713,000 (75.1%), reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets. The county uses capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities. An additional portion of the county's total net assets, $396,033,000 (49.7%), represents resources that are subject to external restrictions on usage. The major restriction on net assets, $344,302,000 is for legally segregated taxes, grants, and fees.

The remaining balance of total net assets, $(197,885,000) (-24.8%), is unrestricted. Unrestricted net assets of governmental activities decreased mostly due to an increase in the OPEB liability ($91,353,000) in the primary government and a decrease in unrestricted revenues, mostly in grants, investment income, and other revenue.

Unrestricted net assets of business-type activities decreased primarily due to losses in the provision of health care services (Hospital and Health Maintenance Organization – Commercial Plan), housing assistance (Housing Authority), and operations (Airport).

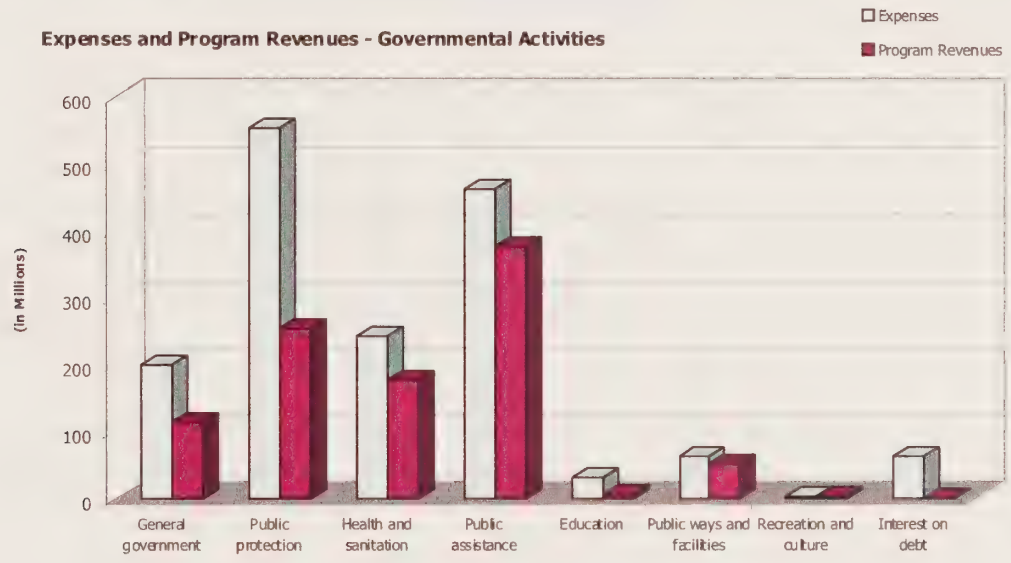
COUNTY'S CHANGE IN NET ASSETS
For the Fiscal Year Ended June 30, 2009
(In Thousands)

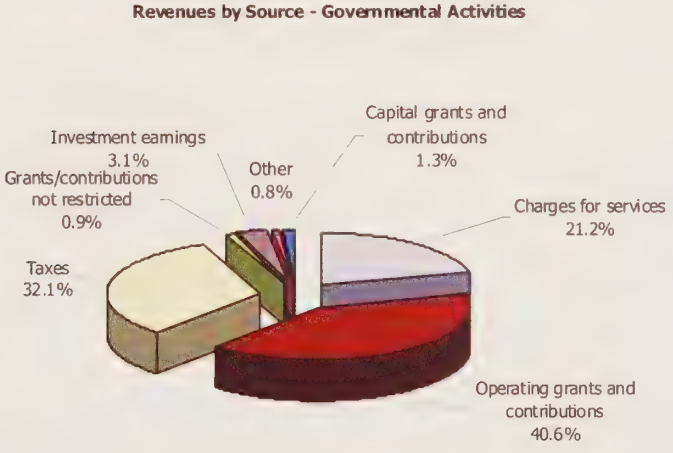
	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent
	2009	2008	2009	2008	2009	2008	Change
Revenues:							
Program revenues:							
Charges for services	$ 324,974	335,903	487,835	434,056	812,809	769,959	5.6 %
Operating grants and contributions	622,097	673,571	135,026	145,413	757,123	818,984	(7.6)
Capital grants and contributions	19,943	21,797	7,377	7,239	27,320	29,036	(5.9)
General revenues:							
Taxes	491,333	495,991			491,333	495,991	(0.9)
Grants/contributions not restricted	14,089	11,300			14,089	11,300	24.7
Investment earnings	47,051	60,239	429	455	47,480	60,694	(21.8)
Other	12,935	35,344	987	1,746	13,922	37,090	(62.5)
Total revenues	1,532,422	1,634,145	631,654	588,909	2,164,076	2,223,054	(2.7)
Expenses:							
General government	199,218	211,224			199,218	211,224	(5.7)
Public protection	552,037	566,154			552,037	566,154	(2.5)
Health and sanitation	240,383	234,551			240,383	234,551	2.5
Public assistance	461,159	468,892			461,159	468,892	(1.6)
Education	28,983	30,040			28,983	30,040	(3.5)
Public ways and facilities	60,726	86,443			60,726	86,443	(29.8)
Recreation and culture	1,447	1,141			1,447	1,141	26.8
Interest on debt	61,239	73,873			61,239	73,873	(17.1)
County Hospital			372,416	353,511	372,416	353,511	5.3
Housing Authority			97,217	98,849	97,217	98,849	(1.7)
Airport			5,127	5,183	5,127	5,183	(1.1)
Sheriff Law Enforcement Training Center			1,266	1,331	1,266	1,331	(4.9)
Child Care Enterprise			12	6	12	6	100.0
HMO Medi-Cal Plan			97,827	85,645	97,827	85,645	14.2
HMO Commercial			112,316	100,855	112,316	100,855	11.4
Major Risk Medical Insurance			1,013	1,288	1,013	1,288	(21.4)
Total expenses	1,605,192	1,672,318	687,194	646,668	2,292,386	2,318,986	(1.1)
Change in net assets before transfers	(72,770)	(38,173)	(55,540)	(57,759)	(128,310)	(95,932)	33.8
Transfers	(49,098)	(53,934)	49,098	53,934			
Change in net assets	(121,868)	(92,107)	(6,442)	(3,825)	(128,310)	(95,932)	33.8
Net Assets, Beginning of Year	829,675	921,782	92,856	98,512	922,531	1,020,294	(9.6)
Adjustments to beginning net assets	2,645		(5)	(1,831)	2,640	(1,831)	(244.2)
Net Assets, Beginning of Year, as Restated	832,320	921,782	92,851	96,681	925,171	1,018,463	(9.2)
Net Assets, End of Year	$ 710,452	829,675	86,409	92,856	796,861	922,531	(13.6) %

Analysis of the Changes in Government Wide Net Assets

The county's net assets decreased by $128,310,000 during fiscal year 2008-2009. Generally, this resulted from the recording of the expense offsetting the increase in the net OPEB obligation of $91,353,000 and decreases in revenues outpacing decreases in expenses. The changes are explained below in the governmental activities and business-type activities discussions.

Governmental Activities





Governmental activities decreased the county's net assets by $121,868,000. The decrease in net assets primarily is due to the current year increase of the county's net OPEB obligation for the primary government and overall decrease in revenues.

Governmental activities operating grants and contributions decreased by $51,474,000 (7.6%). Grant revenue for road construction has decreased since the majority of the major road construction projects are almost complete. Also, due to state cuts, workforce services grants have decreased.

Grants/contributions not restricted increased by $2,789,000 (24.7%) due to an increase in highway users tax received.

Overall, tax revenue decreased by $4,658,000 (0.9 %). Property taxes decreased by $8,559,000 (1.9%). This trend of lower assessed valuations, causing a decrease in property taxes, is expected to continue into the next year and, likely, subsequent years.

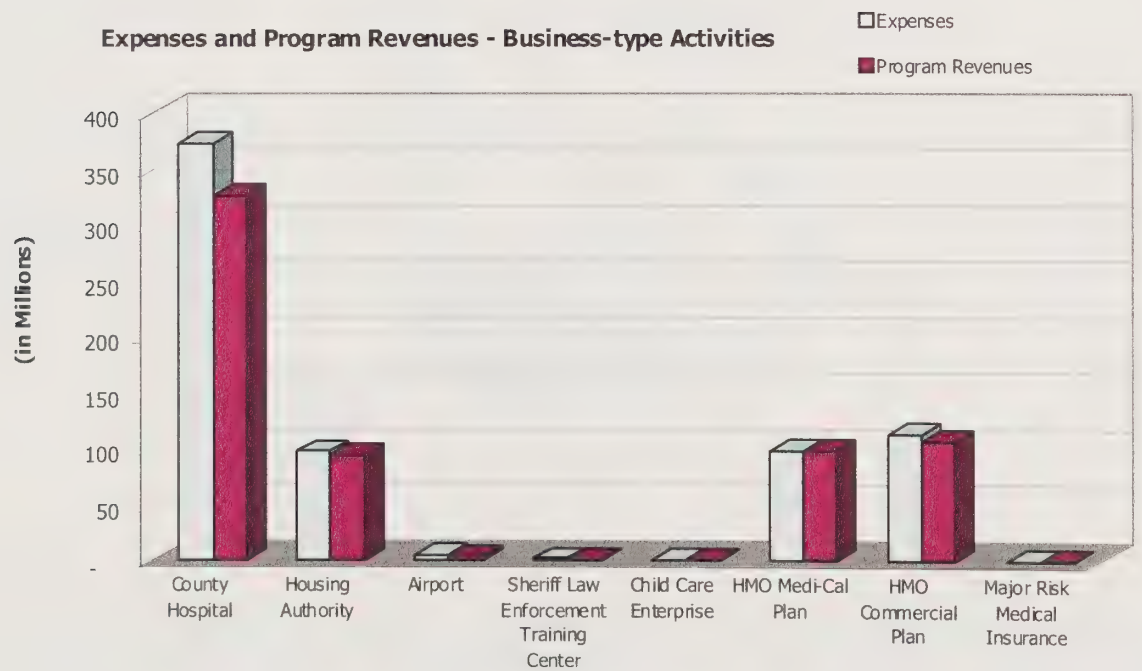
Investment earnings decreased by $13,188,000 (21.9%) due to significantly lower cash and investment balances and lower interest rates in the current year.

Other revenue decreased by $22,409,000 (63.4%) due mostly to a reduction in amounts received for plant acquisition, road construction, and other capital projects, as these projects are coming to an end.

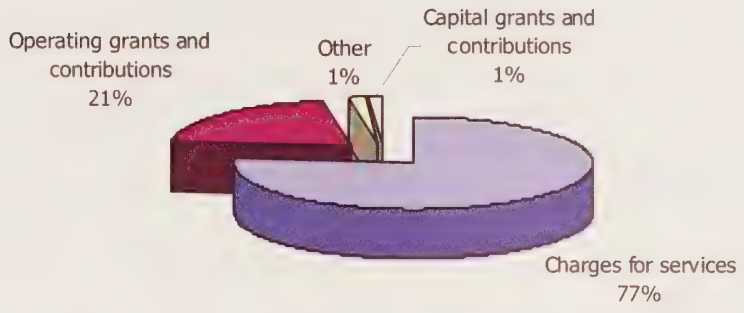
Expenses for governmental activities decreased by $67,126,000 (4.0%) due primarily to a decrease in plant acquisition (general government) and road construction (public ways and facilities) expenditures.

Additionally, there was a restatement of beginning net assets for the recording of the unamortized portion of the 2003 pension obligation bond cost of issuance. This resulted an increase to beginning net assets of $2,645,000.

Business-type Activities



Revenues by Source - Business-type Activities



Business-type activities decreased the county's net assets by $6,442,000. Expenses exceeded program revenues for the County Hospital, Housing Authority, Airport, Sheriff Law Enforcement Training Center, Major Risk Medical, Child Care, and Health Maintenance Organization (Commercial Plan).

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2008-2009 as reported in the fund-basis financial statements.

Governmental Funds

The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful to assess the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the county include the general, special revenue, debt service, capital projects, and permanent funds.

As of June 30, 2009, the county's governmental funds reported combined ending fund balances of $539,723,000, a decrease of $25,885,000 in comparison with the prior year. Approximately $373,457,000 (69.2%) of those fund balances constitutes unreserved fund balances that are available for spending at the county's discretion. The remainder of those fund balances is reserved to indicate that it is not available for new spending because it already is committed as follows: (1) for encumbrances - to liquidate remaining contracts and purchase orders $56,388,000; (2) to reflect advances to other funds and inventories $9,480,000; (3) for payment of debt service $36,722,000; (4) bond proceeds with restrictions $42,708,000, or (5) for miscellaneous other restricted purposes $20,968,000.

General Fund

The General Fund is the primary operating fund of the county. At June 30, 2009, the unreserved fund balance of the General Fund was $105,260,000 a decrease of $16,256,000 in comparison to the prior year, while total fund balance was $130,724,000, a decrease of $14,890,000 in comparison to the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 9.1% of total General Fund expenditures, while total fund balance represents 11.4%. For the prior year, these figures were 10.3% and 12.3%, respectively.

The unreserved fund balances of the General Fund decreased due to the county's decreases in revenues outpacing decreases in expenses.

General Fund revenues decreased by $48,119,000 (3.8%) while expenditures decreased by $32,101,000 (2.7%).

Assets and liabilities decreased due mainly to the redemption of the 2007 - 2008 Tax and Revenue Anticipation Note (TRAN) in December 2008.

Revenues

Intergovernmental revenue from other governmental entities decreased by $35,682,000 (6.1%), use of money and property decreased by $5,981,000 (43.3%), and fines, forfeitures, and penalties decreased by $6,717,000 (31.6%).

Intergovernmental revenue decreases were mostly in the Public Ways and Facilities and Public Protection functions. The most significant decrease was aid from miscellaneous government agencies for road construction in the Public Ways and Facilities function.

Use of money and property revenue decreases were mainly due to significantly lower cash and investment balances and lower interest rates in the current year.

Fines, forfeitures, and penalties revenue decreases were mostly attributed to a settlement that was received in the prior fiscal year.

Expenditures

General Government expenditures decreased by $12,968,000 (8.1%). The major component was a decrease in plant acquisition expenditures.

Health and Sanitation expenditures increased by $15,211,000 (7.8%). The primary cause was increased mental health expenditures.

Public Ways and Facilities expenditures decreased by $34,003,000 (38.3%). The major component was a decrease in road construction expenditures.

CCC Fire Protection District Fund

The CCC Fire Protection District provides fire and emergency medical services to nine cities and certain unincorporated areas in the county. The District's fund balance increased by $4,106,000 (16.7%) during fiscal year 2008 – 2009.

Revenues, primarily taxes and charges for services, decreased by $1,247,000 while expenditures, mainly services and supplies and salaries and benefits, decreased by $9,779,000.

Land Development Fund

The Land Development fund provides growth related management activities of the Public Works Department and the Department of Conservation & Development. The fund balance decreased by $6,809,000 (22%) during fiscal year 2008 – 2009.

Revenues primarily licenses, permits and franchise fees, decreased by $9,673,000 (25.6%). Expenditures decreased by $1,498,000 (4.2%), mainly from a decrease in public ways and facilities expenditures.

Nonmajor Funds

Special revenue funds had a significant decrease in fund balance of $14,881,000 due to an increase in Road fund expenditures relating to an increase in road repairs. Also, Health and Sanitation fund had an increase in the annual transfer out for Mental Health Services Act revenues.

Debt Service Funds had an increase in fund balance of $5,416,000.

Proprietary Funds

As mentioned earlier, the county's proprietary fund financial statements provide the same type of information found in the government-wide financial statements but in more detail.

Net assets at June 30, 2009, was $14,093,000 for the County Hospital Enterprise Fund, $46,232,000 for the Housing Authority Enterprise Fund, and $24,246,000 for the nonmajor enterprise funds. As a result of operations during the year, net assets of the County Hospital Enterprise Fund decreased by $729,000, net assets of the Housing Authority Enterprise Fund decreased by $2,938,000, and net assets of the nonmajor enterprise funds decreased by $3,020,000. Additionally, the beginning net assets of the Housing Authority Enterprise Fund was decreased by $5,000 due to a reclassification of prior year expenses due to/from capital expenses.

Net assets of the internal service funds were $47,762,000. As a result of operations during the year, the net assets of the Public Liability Insurance Internal Service Fund increased by $5,498,000, and the new Fleet Services Internal Service Fund increased by $7,872,000. The net assets of the Workers' Compensation Insurance Fire Protection Internal Service Fund decreased by $5,845,000 creating a deficit net assets balance of $509,000; the net assets of the Long-Term Disability Insurance Internal Service Fund decreased by $2,206,000 creating a deficit net assets balance of $1,037,000; and, the net assets of the State Unemployment Insurance Internal Service Fund decreased by $1,688,000, but the fund did maintain a positive net assets balance. The net assets of the remaining internal service funds had a net increase $1,386,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The county's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. Total budgeted revenues were increased by $15,392,000 (1.2%) in the final budget. Actual revenues were less than final budgeted revenues by $45,035,000 (3.6%). Total budgeted expenditures increased by $35,454,000 (3.0%) in the final budget. Actual expenditures were less than final budgeted expenditures by $54,601,000 (4.5%). Significant factors impacting those changes were as follows:

Original Budget vs. Final Budget

Revenue Variances

- Tax revenue was decreased based on valuation adjustments lowering property values.
- Intergovernmental revenue was decreased mainly in response to the state of California's budget rebalance in November 2008.
- Charges for services were increased after additional information was received during the year as to the ability of others to request provision of services.
- Other revenue was increased during the year to set up revenue budget for plant acquisition, building maintenance, sheriff, and mental health activities.

Expenditure Variances

- The Final Budget for General Government - Plant Acquisition included re-appropriation for projects not completed in the prior year and additional appropriations for building and improvement projects that were funded during the current year.
- The Final Budget for General Government – Building Maintenance appropriations adjusted for change in intrafund transfers for services.
- The Final Budget for Health and Sanitation – Mental Health salaries and services and supplies appropriations adjustment was due to increased costs above the adopted budget level.

Final Budget vs. Actual Amounts

Revenue Variances

- Intergovernmental revenue (primarily state aid) was lower than expected by approximately $45,244,000.

Expenditure Variances

- General Government – Plant acquisition expenditures were less than budgeted because the budget included appropriations for various building improvement and construction projects that were not completed during the year and non-essential projects being deferred.

- Public Protection – Sheriff and jail expenditures were less than expected.

- Public Ways and Facilities – Road construction expenditures were less than budgeted due to progress on the Highway 4 Bypass not reaching expected levels.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

COUNTY'S CHANGES IN CAPITAL ASSETS
(Net of Depreciation)
(In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2009	2008	2009	2008	2009	2008	Percent Change
Infrastructure	$ 313,677	293,001			313,677	293,001	7.06 %
Land	73,729	73,406	12,816	12,816	86,545	86,222	0.37
Structures and improvements	315,120	318,754	172,307	180,193	487,427	498,947	(2.31)
Equipment	48,524	48,589	13,289	11,451	61,813	60,040	2.95
Construction in progress	70,276	59,232	4,195	4,343	74,471	63,575	17.14
Total	$ 821,326	792,982	202,607	208,803	1,023,933	1,001,785	2.2 %

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2009, was $1,023,933,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, drainage systems, and bridges. The total county's investment in net capital assets for fiscal year 2008-2009 increased by 2.2 % (a 3.6% increase for governmental activities and a 3.0 % decrease in business-type activities).

The major increase in the county's investment in capital assets for government activities is due to:

	Project Cost to Date:
Various Employment and Human Services facilities improvements	$11,963,000
Roads infrastructure and construction in progress	28,583,000
Drainage infrastructure and construction in progress	8,787,000

Business activities had a net decrease in capital assets as the result of depreciation expense exceeding new additions. Construction commitments for additional health care facilities under constructions are:

	Project Cost to Date:
Contra Costa Regional Medical Center	$1,526,000
Bay Point Health Center	335,000

Specific changes in governmental and business-type activities are presented in Note 7, in the "Notes to the Basic Financial Statements."

Long-Term Debt

Long-term debt for the governmental and business-type activities is presented below to illustrate changes from the prior year:

COUNTY'S OUTSTANDING DEBT
Capital Lease Obligations, Pension Obligation Bonds, Retirement Litigation Settlement,
Notes Payable, Other Bonds Payable, Lease Revenue Bonds, Tax Allocation Bonds and Special Assessment Debt
(In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2009	2008	2009	2008	2009	2008	Percent Change
Capital lease obligations	$ 11,680	12,478	1,083	1,346	12,763	13,824	(7.7) %
Pension obligation bonds	588,920	619,135			588,920	619,135	(4.9)
Retirement litigation settlement	23,197	24,034			23,197	24,034	(3.5)
Notes payable	1,384	1,482	18,246	18,563	19,630	20,045	(2.1)
Other bonds payable	3,260	3,650			3,260	3,650	(10.7)
Lease revenue bonds	176,084	162,386	134,293	138,319	310,377	300,705	3.2
Tax allocation bonds	130,880	132,290			130,880	132,290	(1.1)
Special assessment debt	11,075	11,740			11,075	11,740	(5.7)
Total	$ 946,480	967,195	153,622	158,228	1,100,102	1,125,423	(2.2) %

At June 30, 2009, the county had total long-term debt outstanding of $1,100,102,000. The county's legal debt limit was $7,990,942,000. During the year, the county's liabilities for long term debt decreased by $25,321,000 (2.2%). Specific changes in governmental and business-type activities are presented in Note 11 in the "Notes to the Basic Financial Statements."

During the current year through the Public Financing Authority, the county undertook a long-term debt transaction that provided $25,062,000 for acquisition, construction, improvement and/or equipping of central county Employment and Human Services Department (EHSD), EHSD building, and Martinez Health Clinic.

Refer also to the information on the Debt Management Policy in the Letter of Transmittal (page vii).

The outlook on the county's credit ratings continues to be "stable" by both Moody's Investors Service (Moody's) and Standard & Poor's Ratings Services (S&P) during fiscal year 2008-2009. The county's underlying long-term ratings are as follows:

Type of Issue	Moody's	S&P
Issuer rating/implied general obligation bond rating	Aa3	AA
Pension obligation bonds	A1	AA-
Lease revenue bonds	A2	AA-

At the time of issuance of most of its lease revenue bond series and pension obligation bond series, the county purchased municipal bond insurance policies that resulted in those series being rated in the highest possible rating categories of Aaa (Moody's) and AAA (S&P). Municipal bond insurers have been downgraded since early 2008. When the insured rating falls below the county's underlying rating, the affected series of bonds carries only the county's underlying ratings. All of the county's lease revenue bond issues now carry only the county's underlying ratings of A2 (Moody's) and AA- (S&P). Two of the county's three pension obligation bond series carry insured rating of AAA (S&P) and Aa3 (Moody's), with the Moody's rating the same as that of the bond insurer.

KNOWN FACTS, DECISIONS AND CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON FINANCIAL POSITION OR RESULTS OF OPERATIONS NEXT YEAR

- Continuing to fund OPEB obligation at $20 million per year.
- Decrease of countywide assessed valuation of 7.2%. This decrease is the second greatest decline the county has experienced in 90 years.
- Continued fiscal crisis of state and federal governments.
- Reduction of general fund budget by $63.5 million due to reduced expenditures.
- Mandatory closure of many county buildings for six days and corresponding unpaid time off for employees.
- The state borrowed 8% of local jurisdictions property tax pursuant to Proposition 1A. The county was able to issue debt which offset the county's state loan.
- All of the facts, decisions and conditions listed above were considered in preparing the county's budget for fiscal year 2009-2010.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, 625 Court Street, Room 103, Martinez, CA 94553-1282.

COUNTY OF CONTRA COSTA
STATEMENT OF NET ASSETS
JUNE 30, 2009
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission
Assets:				
Cash and investments	$ 432,598	43,438	476,036	50,075
Receivables (net)	258,396	77,372	335,768	2,360
Inventories	2,012	786	2,798	
Internal balances	16,953	(16,953)		
Notes receivable	74,400	118	74,518	578
Prepaid items and deposits	8,097	1,632	9,729	193
Deferred charges	7,866	2,082	9,948	
Land held for resale	7,407		7,407	
Prepaid pension asset (net)	473,020		473,020	
Other noncurrent assets		539	539	
Restricted assets:				
Restricted cash and investments	94,825	23,976	118,801	
Notes receivable		1,181	1,181	
Capital assets:				
Nondepreciable	144,005	17,011	161,016	246
Depreciable, net	677,321	185,596	862,917	693
Total assets	2,196,900	336,778	2,533,678	54,145
Liabilities:				
Accounts payable and accrued liabilities	77,830	55,311	133,141	686
Accrued interest payable	10,798	658	11,456	
Due to primary government				720
Due to other agencies				810
Welfare program advances	9,636		9,636	
Unearned revenue	36,426	27,856	64,282	38
Noncurrent liabilities:				
Due within one year	88,162	8,294	96,456	10
Due in more than one year	1,263,596	158,250	1,421,846	93
Total liabilities	1,486,448	250,369	1,736,817	2,357
Net Assets:				
Invested in capital assets, net of related debt	543,582	55,131	598,713	939
Restricted for:				
Legally segregated taxes, grants and fees	343,951	351	344,302	
Tenant deposits		15,235	15,235	
Debt service	24,212	10,535	34,747	
Permanent fund:				
Expendable portion	20		20	
Nonexpendable portion	1,729		1,729	
Total restricted net assets	369,912	26,121	396,033	
Unrestricted (deficit)	(203,042)	5,157	(197,885)	50,849
Total net assets	$ 710,452	86,409	796,861	51,788

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

Function/Program Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 199,218	100,315	11,148	
Public protection	552,037	130,270	122,280	
Health and sanitation	240,383	76,938	97,607	
Public assistance	461,159	2,242	371,390	
Education	28,983	992	3,423	
Public ways and facilities	60,726	14,100	16,095	19,943
Recreation and culture	1,447	117	154	
Interest on debt	61,239			
Total governmental activities	1,605,192	324,974	622,097	19,943
Business-type activities:				
County Hospital	372,416	310,221	9,257	6,428
Housing Authority	97,217	5,408	87,047	949
Airport	5,127	3,446	326	
Sheriff Law Enforcement Training Center	1,266	768	239	
Child Care Enterprise	12			
HMO Medi-Cal Plan	97,827	98,211		
HMO Commercial Plan	112,316	68,845	38,157	
Major Risk Medical Insurance	1,013	936		
Total business-type activities	687,194	487,835	135,026	7,377
Total primary government	$ 2,292,386	812,809	757,123	27,320
Component unit:				
First 5 Contra Costa Children and Families Commission	$ 15,287		11,846	
GENERAL REVENUES:				
Taxes:				
Property				
Sales				
Other				
Grants/contributions not restricted				
Investment earnings				
Other				
TRANSFERS				
Total general revenues and transfers				
Change in net assets				
NET ASSETS, BEGINNING OF YEAR				
Adjustments to beginning net assets (Note 2)				
NET ASSETS, BEGINNING OF YEAR, AS RESTATED				
NET ASSETS, END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expenses) Revenues and Changes in Net Assets			Component Unit
Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission
(87,755)		(87,755)	
(299,487)		(299,487)	
(65,838)		(65,838)	
(87,527)		(87,527)	
(24,568)		(24,568)	
(10,588)		(10,588)	
(1,176)		(1,176)	
(61,239)		(61,239)	
(638,178)		(638,178)	
	(46,510)	(46,510)	
	(3,813)	(3,813)	
	(1,355)	(1,355)	
	(259)	(259)	
	(12)	(12)	
	384	384	
	(5,314)	(5,314)	
	(77)	(77)	
	(56,956)	(56,956)	
(638,178)	(56,956)	(695,134)	
			(3,441)
$ 451,180		451,180	
13,444		13,444	
26,709		26,709	
14,089		14,089	
47,051	429	47,480	996
12,935	987	13,922	159
(49,098)	49,098		
516,310	50,514	566,824	1,155
(121,868)	(6,442)	(128,310)	(2,286)
829,675	92,856	922,531	54,074
2,645	(5)	2,640	
832,320	92,851	925,171	54,074
$ 710,452	86,409	796,861	51,788

COUNTY OF CONTRA COSTA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009
(In Thousands)

	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Total
Assets:					
Cash and investments	$	31,769		267,159	298,928
Accounts receivable and accrued revenue (net)	140,969	1,766	36,198	55,165	234,098
Inventories	2,012				2,012
Due from other funds	66,770	631	12,260	6,691	86,352
Advances to other funds				7,468	7,468
Notes receivable	62,877			11,523	74,400
Prepaid items and deposits	6,299	842		950	8,091
Land held for resale				7,407	7,407
Restricted cash and investments	3,352			91,473	94,825
Total assets	$ 282,279	35,008	48,458	447,836	813,581
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 55,689	6,050	1,578	14,307	77,624
Due to other funds	8,451	237	3,250	56,173	68,111
Welfare program advances	9,636				9,636
Advances from other funds				7,468	7,468
Deferred revenue	77,779	65	19,031	14,144	111,019
Total liabilities	151,555	6,352	23,859	92,092	273,858
Fund Balances:					
Reserved for:					
Encumbrances	14,396		18,058	23,934	56,388
Inventories	2,012				2,012
Advances to other funds				7,468	7,468
Prepaid items and deposits	6,106	842		950	7,898
Land held for resale				7,407	7,407
Programs with purpose restrictions				644	644
Bond proceeds with eligibility restriction				42,708	42,708
Housing projects				320	320
Debt service				36,722	36,722
Lease purchases	2,950				2,950
Permanent fund-expendable portion				20	20
Permanent fund-nonexpendable portion				1,729	1,729
Unreserved, designated for:					
Equipment replacement	1,783		1,116	6,315	9,214
Litigation/audit	5,000				5,000
CCC Fire Protection Dist reserve designation		7,684			7,684
General fund capital reserve	12,212				12,212
General fund reserve designation	76,133				76,133
Unreserved, undesignated, reported in:					
General fund	10,132				10,132
Special revenue funds		20,130	5,425	213,998	239,553
Capital projects funds				13,529	13,529
Total fund balances	130,724	28,656	24,599	355,744	539,723
Total liabilities and fund balances	$ 282,279	35,008	48,458	447,836	813,581

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2009
(In Thousands)

Fund balances - total governmental funds (page 22)		$ 539,723
Amounts reported for governmental activities in the statement of net assets are different because:		
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore not reported in the funds.		473,020
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		817,171
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds.		193
Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds.		74,400
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The assets and liabilities of these funds, except for the medical liability insurance fund, are included as governmental activities in the statement of net assets.		45,924
Interest on long-term debt is recognized as it accrues, regardless of when it is due.		(10,798)
Costs of issuance on bonds are not recognized as current expenditures and are deferred.	$ 8,401	
Current year amortization of costs of issuance on bonds.	(535)	7,866
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Lease revenue bonds	(176,084)	
Notes payable	(1,384)	
Tax allocation bonds	(130,880)	
Special assessment bonds	(11,075)	
Other bonds payable	(3,260)	
Pension obligation bonds	(588,920)	
Retirement litigation settlement	(23,197)	
Capital lease obligations	(11,680)	
Compensated absences	(38,656)	
Net OPEB obligation	(250,262)	
Environmental remediation	(694)	
Premiums, discounts and deferred amounts on refundings	(955)	(1,237,047)
Net assets of governmental activities (page 19)		$ 710,452

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Total
Revenues:					
Taxes	$ 314,074	87,744		103,606	505,424
Licenses, permits and franchise fees	14,041	240	10,286	918	25,485
Fines, forfeitures and penalties	14,538			5,066	19,604
Use of money and property	7,848	158	643	30,961	39,610
Intergovernmental	552,511	4,987	104	84,556	642,158
Charges for services	221,026	5,197	12,114	41,356	279,693
Other revenue	97,203	735	4,988	54,369	157,295
Total revenues	1,221,241	99,061	28,135	320,832	1,669,269
Expenditures:					
Current:					
General government	146,787			26,453	173,240
Public protection	345,338	95,911	25,745	93,422	560,416
Health and sanitation	211,228			7,780	219,008
Public assistance	390,659		102	68,791	459,552
Education	321			26,940	27,261
Public ways and facilities	54,848		8,052	58,252	121,152
Recreation and culture				1,553	1,553
Debt service:					
Principal	98			42,940	43,038
Interest	2,274		44	58,781	61,099
Debt issuance cost				326	326
Total expenditures	1,151,553	95,911	33,943	385,238	1,666,645
Excess (deficiency) of revenues over (under) expenditures	69,688	3,150	(5,808)	(64,406)	2,624
Other Financing Sources (Uses):					
Transfers in	19,106	956		64,137	84,199
Transfers out	(106,313)		(1,001)	(31,144)	(138,458)
Issuance of debt				23,121	23,121
Capital lease financing	2,629				2,629
Total other financing sources (uses)	(84,578)	956	(1,001)	56,114	(28,509)
Net change in fund balances	(14,890)	4,106	(6,809)	(8,292)	(25,885)
Fund Balances at Beginning of Year	145,614	24,550	31,408	364,036	565,608
Fund Balances at End of Year	$ 130,724	28,656	24,599	355,744	539,723

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

Net change in fund balances - total governmental funds (page 24)		$ (25,885)
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that were deferred in the governmental funds because they were unavailable are reported as current revenue.		1,699
Governmental funds report capital asset acquisitions as either capital outlay or other current program expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	$ 68,522	
Less loss on sale/retirement of capital assets	(2,961)	
Less current year depreciation	(38,650)	26,911
Increase in environmental remediation obligation is not considered due and payable and, therefore, is not reported as a liability in governmental funds.		(292)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Debt issuance	(23,121)	
Deferral of bond issuance cost	326	
Deferral of capital lease issuance cost	77	
Principal payments	43,038	
Capital lease payments	3,427	
Issuance of capital lease	(2,629)	
Expenditures made on environmental remediation	1,348	22,466
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	1,494	
Amortization of pension asset	(58,721)	
Amortization of bond issuance cost	(535)	
Amortization of premiums, discounts and loss on refunding - Lease Revenue Bonds	255	
Amortization of premiums, discounts and loss on refunding - Tax Revenue Bonds	(100)	
Change in accrued interest payable	141	
Net OPEB obligation	(91,353)	(148,819)
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities, except for the medical liability insurance fund.		2,052
Change in net assets of governmental activities (page 21)		$ (121,868)

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009
(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Assets:					
Current assets:					
Cash and investments	$ 34,697	1,862	1,639	38,198	138,910
Accounts receivable and accrued revenue (net)	43,836	1,042	32,494	77,372	24,298
Inventories	771		15	786	
Due from other funds	17,958		28,770	46,728	1,176
Notes receivable		118		118	
Prepaid items and deposits	1,356	152	124	1,632	6
Deferred charges	2,082			2,082	
Total current assets	100,700	3,174	63,042	166,916	164,390
Noncurrent assets:					
Restricted cash and investments	9,049	14,907	20	23,976	
Notes receivable		1,181		1,181	
Other noncurrent assets		539		539	
Capital assets:					
Nondepreciable	161	4,278	12,572	17,011	366
Depreciable, net	131,565	46,090	7,941	185,596	3,789
Total noncurrent assets	140,775	66,995	20,533	228,303	4,155
Total assets	241,475	70,169	83,575	395,219	168,545
Liabilities and Net Assets					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	25,119	1,314	28,878	55,311	206
Accrued interest payable	540	112	6	658	
Due to other funds	35,006		28,634	63,640	2,505
Deferred revenue	26,447	852	557	27,856	
Current portion of long-term liabilities	6,660	650	76	7,386	33,330
Total current liabilities	93,772	2,928	58,151	154,851	36,041
Noncurrent liabilities:					
Capital lease obligations	266		674	940	
Compensated absences	9,117	82	504	9,703	78
Claims payable					84,664
Bonds and notes payable, net	123,578	16,295		139,873	
Landfill post closure	649			649	
Other noncurrent liabilities		4,632		4,632	
Total noncurrent liabilities	133,610	21,009	1,178	155,797	84,742
Total liabilities	227,382	23,937	59,329	310,648	120,783
Net Assets:					
Invested in capital assets, net of related debt	2,864	32,448	19,819	55,131	4,155
Restricted for debt service	10,535			10,535	
Restricted for tenant deposits		15,235		15,235	
Restricted			351	351	
Unrestricted	694	(1,451)	4,076	3,319	43,607
Total net assets	$ 14,093	46,232	24,246	84,571	47,762
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.				1,838	
Net assets of business-type activities (page 19)				$ 86,409	

* Housing Authority Fund reported as of March 31, 2009.
See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Operating Revenues:					
Use of money and property			3,621	3,621	
Charges for services	306,061	5,408	168,585	480,054	59,418
Other revenue		446	540	986	1,880
Total operating revenues	306,061	5,854	172,746	484,661	61,298
Operating Expenses:					
Salaries and employee benefits	244,357	9,901	14,382	268,640	1,601
Services and supplies	103,311		195,368	298,679	16,596
Benefit and claim expense					49,349
Other charges	300	82,648	5,593	88,541	740
Expenditure transfers			382	382	
Depreciation	8,319	3,526	1,767	13,612	1,299
Total operating expenses	356,287	96,075	217,492	669,854	69,585
Operating income (loss)	(50,226)	(90,221)	(44,746)	(185,193)	(8,287)
Nonoperating Revenues (Expenses):					
State and federal grants	9,257	87,047	38,722	135,026	
Investment income					7,022
Interest income		429		429	
Interest expense	(13,813)	(1,056)	(69)	(14,938)	
Other charges		(86)		(86)	
Total nonoperating revenue (expenses)	(4,556)	86,334	38,653	120,431	7,022
Income (loss) before capital contributions and transfers	(54,782)	(3,887)	(6,093)	(64,762)	(1,265)
Capital contributions	6,428	949		7,377	2,721
Transfers in	57,856		3,769	61,625	5,246
Transfers out	(10,231)		(696)	(10,927)	(1,685)
Change in net assets	(729)	(2,938)	(3,020)	(6,687)	5,017
Total Net Assets at Beginning of the Year, as Previously Reported	14,822	49,175	27,266	91,263	42,745
Adjustments to beginning net assets (Note 2)		(5)		(5)	
Total Net Assets at Beginning of the Year, as Restated	14,822	49,170	27,266	91,258	42,745
Total Net Assets at End of Year	14,093	46,232	24,246	84,571	47,762

Reconciliation of enterprise funds change in net assets to statement of activities:

Change in net assets of enterprise funds.	$ (6,687)
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.	245
Change in net assets of business-type activities (page 21)	$ (6,442)

* Housing Authority Fund reported as of March 31, 2009.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Cash Flows from Operating Activities:					
Cash received from customers/other funds	$ 290,917	5,325	128,586	424,828	40,711
Cash payment to suppliers for goods and services	(86,607)	(81,023)	(170,338)	(337,968)	(55,279)
Cash payment to employees for services	(243,640)	(9,901)	(14,382)	(267,923)	(1,310)
Net Cash Provided by (Used for) Operating Activities	(39,330)	(85,599)	(56,134)	(181,063)	(15,878)
Cash Flows from Noncapital Financing Activities:					
State and federal grants	9,257	87,200	38,722	135,179	
Interest received		52		52	
Issuance of debt		(66)		(66)	
Debt payments		163		163	
Transfers in	57,881		3,769	61,650	5,246
Transfers out	(10,231)		(696)	(10,927)	(1,660)
Net Cash Provided by Noncapital Financing Activities	56,907	87,349	41,795	186,051	3,586
Cash Flows from Capital and Related Financing Activities:					
Issuance of debt	1,940			1,940	
Proceeds from sale of capital assets					
Capital contributions	6,428	695		7,123	
Acquisition and construction of capital assets	(6,129)	(759)	(359)	(7,247)	(2,758)
Interest paid	(13,813)	(977)	(46)	(14,836)	
Lease purchase obligation principal payment	(118)		(161)	(279)	
Principal paid on debt	(5,966)	(318)		(6,284)	
Accrued interest payable	(18)			(18)	
Debt premium - cost of issuance/deferred charges	995			995	
Net Cash Used for Capital and Related Financing Activities	(16,681)	(1,359)	(566)	(18,606)	(2,758)
Cash Flows from Investing Activities:					
Interest received on investments		408		408	7,022
Net Cash Used for Investing Activities		408		408	7,022
Net Increase (Decrease) in Cash and Cash Equivalents	896	799	(14,905)	(13,210)	(8,028)
Cash and Cash Equivalents at Beginning of Year	42,850	15,970	16,564	75,384	146,938
Cash and Cash Equivalents at End of Year	$ 43,746	16,769	1,659	62,174	138,910

(continued)

COUNTY OF CONTRA COSTA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:					
Operating income (loss)	$ (50,226)	(90,221)	(44,746)	(185,193)	(8,287)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and amortization	8,319	3,526	1,767	13,612	1,299
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable and accrued revenue, net	(16,500)	(26)	(28,807)	(45,333)	(19,835)
Inventories	(28)		28		
Due from other funds	(4,404)		(15,229)	(19,633)	(746)
Prepaid items and deposits	259	107		366	(6)
Increase (decrease) in:					
Accounts payable and accrued liabilities	177	383	13,367	13,927	204
Claims payable					10,832
Due to other funds	17,062	2	17,617	34,681	574
Deferred revenue	5,760	(81)	(121)	5,558	
Tenants deposit		2		2	
Compensated absences	251	34	(10)	275	87
FSS escrows		(218)		(218)	
Accrued salaries		229		229	
Post retirement benefits		664		664	
Net Cash Provided by (Used for) Operating Activities	$ (39,330)	(85,599)	(56,134)	(181,063)	(15,878)
Noncash investing, capital, and financing activities:					
Change in accrued interest	$ (18)		6	(12)	
Debt amortization	(625)			(625)	
Change in lease purchase obligation			17	17	
Contribution of capital assets from government					2,721
Transfer of capital asset	25			25	(25)
					(concluded)

* Housing Authority Fund reported as of March 31, 2009.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2009

(In Thousands)

	Pension* and Other Employee Benefit Trust Funds	Investment Trust	Private-Purpose Trust	Agency
Assets:				
Cash and investments	$ 186,299	1,248,561	12,290	$ 150,285
Cash collateral - securities lending	280,748			
Investments pension trust				
Stocks	1,584,443			
Bonds	1,569,705			
Real estate	372,960			
Alternative investments	218,175			
Receivables	406,185	2,575	322	19,408
Due from other governments	7,633			59,501
Taxes receivable				263,221
Prepaid items and deposits	531			
Capital assets, net	1,578			
Total assets	4,628,257	1,251,136	12,612	$ 492,415
Liabilities:				
Warrants outstanding		57,810		$ 25,475
Accounts payable and accrued liabilities	576,277	3,867	37	36,381
Employee benefits payable	1,496			
Due to other governments				203,709
Security lending	280,747			
Unapportioned taxes				103,447
Tax loss guarantees				66,209
Due to other agencies and districts				57,194
Total liabilities	858,520	61,677	37	$ 492,415
Net Assets:				
Held in trust for:				
Employees' pension benefits/ other postemployment benefits	3,769,737			
Participation in individually directed investment accounts		1,189,459	12,575	
Total net assets	$ 3,769,737	1,189,459	12,575	

* Pension Trust Fund reported as of December 31, 2008.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Pension* and Other Employee Benefit Trust Funds	Investment Trust	Private-Purpose Trust
Additions:			
Employer contributions	$ 264,023		
Plan member contributions	82,220		
Contributions to investment accounts		3,665,072	
Other revenue			17,063
Net investment income (loss)	(1,437,460)	4,819	96
Investment expense	(26,942)		
Total additions	(1,118,159)	3,669,891	17,159
Deductions:			
Benefits paid	293,757		
Refunds of contributions	3,730		
Distribution from investment accounts		3,608,610	
Administrative and other expenses	5,601		1,023
Prepayment discount	7,624		
Other	508		16,802
Total deductions	311,220	3,608,610	17,825
Change in net assets	(1,429,379)	61,281	(666)
Net Assets Held In Trust at Beginning of Year	5,199,116	1,128,178	13,241
Net Assets Held In Trust at End of Year	$ 3,769,737	1,189,459	12,575

*Pension Trust Fund reported as of December 31, 2008.

See accompanying notes to the basic financial statements.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Contra Costa conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the more significant policies:

A. Definition of Reporting Entity

The county is a political subdivision created by the state of California. As such, it can exercise powers specified by the constitution and statutes of the state. The county is governed by a five member elected Board of Supervisors (the Board). The Board is responsible for the legislative and executive control of the county. The county provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the county (primary government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and relationship with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the county's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the county.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the county's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements since it does not have a shared governing body nor is it of exclusive or almost exclusive benefit to the primary government.

For financial reporting purposes, the county's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the county's Board.

Blended Component Units

Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa (Housing Authority) was established to provide housing for the county's low and moderate income residents. Its board members are the same as the county Board of Supervisors. The financial activities of the Housing Authority are reported as an enterprise fund. The fiscal year of the Housing Authority ends on March 31st and its financial activities are reported as of that date. The Housing Authority has two discretely presented component units that have been blended with the Housing Authority in this report. The discretely presented component units have fiscal year ends of December 31. Their financial statements have been adjusted to March 31 for inclusion in the Housing Authority statements.

Contra Costa County Redevelopment Agency

The Contra Costa County Redevelopment Agency (RDA) was established for the purpose of redeveloping certain areas of the county designated as project areas. Its board members are the same as the county Board of Supervisors. The financial activities of the RDA are included in the special revenue, debt service, and capital projects funds and are reported as nonmajor governmental funds.

County of Contra Costa Public Facilities Corporation

The County of Contra Costa Public Facilities Corporation (PFC) was established to provide financing for the acquisition, construction, improvement and remodeling of public buildings and facilities for the county. The county appoints a voting majority of the governing board and is able to impose its will on the PFC.

County of Contra Costa Public Financing Authority

The County of Contra Costa Public Financing Authority (PFA) is a joint powers authority consisting of the county and the RDA. The PFA was established to provide for the financing of public improvements, obligations, working capital and liability or other insurance programs of the county and the RDA. The members of the county Board of Supervisors also serve as the Directors of the PFA. The activities of the PFA are included in a debt service fund, which is reported as part of the nonmajor governmental funds, and in the County Hospital Enterprise Fund.

Contra Costa County Employees' Retirement Association

The Contra Costa County Employees' Retirement Association (CCCERA) was established to provide retirement benefits to employees of the county and other member agencies. The CCCERA provides a majority of its services for the benefit of the county and, therefore, is reported as a pension trust fund in the basic financial statements. The fiscal year of the CCCERA ends on December 31st and its financial activities are reported as of that date.

In-Home Supportive Services Public Authority

The Contra Costa County Board of Supervisors, pursuant to Welfare and Institutions Code Section 12301.6, established the In-Home Supportive Services Public Authority (IHSS). IHSS provides screening, training and referral of in-home supportive service providers and assists eligible individuals, who are unable to care for themselves at home, in finding qualified persons to assist them. Its board members are the same as the county Board of Supervisors. The activities of the IHSS are included in a special revenue fund which is reported as part of the nonmajor governmental funds.

Special Districts and Service Areas

The county has 37 agencies referred to as county special districts and service areas. Each is established by the county for the purpose of providing specific services in a defined geographic area. Their board members are the same as the county Board of Supervisors. The 37 agencies and the special revenue fund in which each is included are: Contra Costa County Fire Protection District; Other Fire Protection – Crockett-Carquinez Fire Protection District and East Contra Costa County Fire Protection District; Flood Control - Flood Control District, Storm Drainage District, Storm Drain District Nos. Z-16 and Z-19; Health

and Sanitation - Sanitation District No. 6; Service Areas - Service Areas D-2, EM-1, L-100, LIB-2, LIB-10, LIB-12, LIB-13, M-1, M-16, M-17, M-20, M-23, M-28, M-29, M-30, M-31 R-4, R-7A, R-9, R-10, RD-4 and Discovery Bay West Parking District; Law Enforcement - Service Areas P-1, P-2A, P-2B, P-5 and P-6, Public Transit-Service Area T1; Other Special Revenue - Contra Costa County Water Agency. These special revenue funds are reported as nonmajor governmental funds, with the exception of the Contra Costa County Fire Protection District, which is reported as a major governmental fund.

Discretely Presented Component Unit

First 5 Contra Costa Children and Families Commission

The First 5 Contra Costa Children and Families Commission was established to implement the provisions of Proposition 10, adopted by the voters in 1998. Proposition 10 added Division 108 (commencing with California Government Code Section 130100) to the California Health and Safety Code. It provides for a state tax on the sale of tobacco products and also provides that this revenue be spent for early childhood development programs by the Commission. The county Board of Supervisors originally appointed all nine members (and nine alternate members) of the Commission. One member of the Board of Supervisors serves on the Commission. However, the Commission hires its own employees, including an Executive Director and functions independent of the county. The Commission provides most of its services directly to the citizens of the county. The financial activity of the Commission is reported in separate columns on the government-wide financial statements.

Complete audited financial statements are issued separately for each of the individual component units listed below and may be obtained at the unit's administrative offices as follows:

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

County of Contra Costa Public Facilities Corporation
1220 Morello Ave., Suite 100, Martinez, CA 94553

County of Contra Costa Public Financing Authority
651 Pine Street, 6th Floor, Martinez, CA 94553

Contra Costa County Redevelopment Agency
2530 Arnold Drive, Suite 190, Martinez, CA 94553

Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221, Concord, CA 94520

First 5 Contra Costa Children and Families Commission
1485 Enea Court, Suite 1200, Concord CA 94520

B. New Accounting Pronouncements Implemented During the Year

The county adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* enhances the usefulness and comparability of pollution remediation obligation information reported by state and local governments by setting uniform standards requiring more timely and complete reporting of those obligations and by requiring all governments to account for pollution remediation obligations in the same manner, including required reporting of pollution remediation obligations that previously may not have been reported.

GASB Statement No. 50, *Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27,* improves the transparency and decision usefulness of reported information about pensions by state and local governmental plans and employers.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, establishes standards for accounting and financial reporting for land and other real estate held as investments by endowments. Endowments include permanent and term endowments, and permanent funds. This Statement amends paragraph 2 of Statement of No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*

GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. It is intended to make it easier for preparers of state and local government financial statements to identify and apply the "GAAP hierarchy," which consists of sources of accounting principles used in the preparation of financial statements so that they are presented in conformity with GAAP and the framework for selecting those principles.

GASB Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The Statement 56 guidance addresses three issues from the AICPA's literature—related party transactions, going concern considerations, and subsequent events.

C. Basis of Presentation

Government-wide Financial Statements

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, mandate the presentation of two basic government-wide financial statements, the *Statement of Net Assets* and the *Statement of Activities*. The statement of net assets and statement of activities display information about the primary government (the county) and its component units. The statement of net assets and statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statement of net assets and statement of activities also

distinguish between the *governmental* and *business-type activities* of the county and between the county and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

For presentation in the statement of net assets and statement of activities, all of the internal service fund account balances are allocated to governmental activities except for the medical liability insurance fund which is allocated to business-type activities.

The statement of net assets reports the county's financial and capital resources, including infrastructure, as well as the county's long-term obligations. The difference between the county's assets and liabilities is its net assets. Net assets represent the resources that the county has available for uses in providing services after its debts are settled.

The statement of activities presents a comparison between direct and allocated indirect expenses and program revenues for each function of the governmental activities and each segment of the business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, including fines and forfeitures, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, management has discretion as to which resources to apply. Generally, restricted resources are depleted before unrestricted. However, when prudent, unrestricted resources may be used first.

Fund Financial Statements

The fund financial statements provide information about the county's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The county reports the following as major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the county that are not accounted for through other funds. In addition to general administration, the General Fund includes such activities as public protection, health and sanitation, public assistance, education, and public ways and facilities.

- The *Contra Costa County Fire Protection District (CCCFPD) Special Revenue Fund* accounts for the financial aspect of the fire and emergency medical service activities provided by CCCFPD to nine cities and certain unincorporated areas in the county. As requested by interested parties, the CCCFPD's financial activities have been separated from those of the county's other fire protection districts and are reported as a major fund.

- The *Land Development Special Revenue Fund* reports the growth management related activities of the Public Works Department and the Department of Conservation & Development.

The county reports the following as major enterprise funds:

- The *County Hospital (the Hospital)* accounts for hospital operations involved in providing health services to county residents. Revenues are principally fees for patient services, payments from federal and state programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues, and subsidies from the General Fund.

- The *Housing Authority* accounts for the financial resources designated for housing and housing assistance to low and moderate income residents of Contra Costa County.

The county reports the following additional fund types:

- *Internal Service Funds* account for the county's fleet services and self-insurance programs – employee dental insurance, long-term disability insurance, workers' compensation insurance, automotive liability insurance, general liability insurance, state unemployment insurance, medical liability insurance, and special district property insurance, on a cost-reimbursement basis.

- The *Pension Trust Fund* accumulates contributions from the county, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula), and administrative expenses. This fund includes all assets of the CCCERA.

- *OPEB Irrevocable Trust* accounts for assets held in trust to pay post retirement health benefits. The trust, which consists of assets contributed by the county (and other participating employers), will be administered by the financial officials typically responsible for safeguarding the county's assets. The Trustee shall separately account for all contributions, distributions, payments, expenses, gains and losses attributable to the county and each other employer that participates in the trust.

- The *Investment Trust Fund* accounts for the assets of legally separate entities who make directed investments through the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. This fund represents the assets, primarily cash and investments, and the related obligation of the county to disburse these monies on demand.

- The *Private-Purpose Trust Fund* accounts for assets held in trust for the benefit of individuals, private organizations, and other governments.

- *Agency Funds* account for assets pending transfer or distribution to individuals, private organizations or other governmental entities held by the county in an agency capacity. Included in these funds are the Unapportioned Taxes Fund and the Tax Losses Reserve Fund, which provide controls necessary for the county to manage property taxes under the Teeter Plan (see section M of this note).

D. Basis of Accounting

The government-wide, proprietary fund and fiduciary, excluding agency, fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the county is giving (or receiving) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Agency funds are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement of focus. Since they do not report equity, they cannot present an operating statement reporting changes in equity. They do, however, use the accrual basis of accounting to recognize receivables and payables.

For its business-type activities and enterprise funds, the county has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units. The county has elected not to follow subsequent private-sector guidance of the Financial Accounting Standards Board after November 30, 1989.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes are accrued when their receipt occurs within sixty days after the end of the accounting period. All other revenues are accrued if they are both measurable and available within sixty days, except for certain reimbursements related to health care from the state of California and certain state and federal grants which are accrued when their receipt is expected within one year after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are generally recorded when payment is due. However, where resources have been provided during the current year for payment of interest due early in the following

year, the expenditure and related liability are accrued. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, their equity in the County Treasurer's internal pool, and cash restricted for repayment of debt or as reserves to be cash equivalents.

F. Investments

Investment transactions are recorded on the trade date. Investments in non-participating, interest-earning investment contracts (certificates of deposit and guaranteed investment contracts) are stated at cost. Other investments are stated at fair value. Fair value is defined as the amount that the county could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Under GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, the Pension Trust Fund reports its investments at fair value. Both realized and unrealized gains and losses on investments are included in its statement of changes in net assets. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by real estate investment funds, generally using periodic independent appraisals, and alternative investment managers. All investment purchases and sales are recorded on the trade date.

The public school, cemetery, pest control, recreation and park and resource conservation districts within the county are required by legal provisions to maintain their cash and investments with the County Treasurer. The County Treasurer maintains individual directed investment accounts for those districts, and the cash and investments held are included in the Investment Trust Fund.

G. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market. Governmental fund inventories are maintained using the weighted average method. Proprietary fund inventories are maintained using the first-in, first-out method. The costs of governmental fund inventories and proprietary fund inventories are recorded as expenditures/expenses at the time individual items are consumed rather than when purchased. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that a portion of the fund balance is not available for future appropriation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Notes Receivable

Generally loans are either deferred or collected on a residual receipts basis with all remaining principal and interest due on the earlier of the due date of the note or sale or transfer of property. Any

repayment of principal or interest is treated as program revenue, the use of which is restricted by federal regulations. As such, notes receivable are recorded with an offset to deferred revenue in the fund financial statements because the amounts are unavailable. The notes receivable balances in the General Fund consist of loans made with funds provided to the county under the U.S. Department of Housing and Urban Development programs. The loans are made to carry out activities for affordable housing and economic development.

I. Prepaid Pension Asset

A prepaid pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL).

On March 1, 1994, the county made a payment of $333,724,000 to CCCERA from the proceeds of the issuance of pension obligation bonds to reduce the county's UAAL as calculated at that time. On May 1, 2003, the county made another payment of $319,095,000 to CCCERA from the proceeds of an additional issuance of pension obligation bonds to reduce the county's UAAL as recalculated, due primarily to the effect of the enhanced pension granted in 2002.

In 2005, the Contra Costa County Fire Protection District (CCCFPD) issued Series 2005 Pension Obligation Bonds in the principal amount of $129,900,000 to fund CCCFPD's UAAL obligation as of December 31, 2004, to the Contra Costa County Employees' Retirement Association and to prepay CCCFPD's portion of the outstanding Paulson Settlement.

J. Restricted Assets

The county's restricted assets represent cash and investments of the General Fund, County Hospital Enterprise Fund, Permanent Fund, Major Risk Medical Insurance Internal Service Fund, and certain nonmajor governmental funds restricted for debt repayments in accordance with restrictions and limitations of the various bond indentures and capital lease funds not yet spent on capital assets. The Housing Authority Enterprise Fund's restricted assets represent cash and investments that consist of tenant deposits held in escrow and capital lease funds not yet spent on capital assets. The nonmajor enterprise fund's restricted assets represent funds for Airport capital projects not yet spent. All of the noted cash and investments are included in Note 4.

K. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The capitalization threshold for infrastructure is $25,000. The capitalization threshold for buildings is $100,000. The capitalization threshold for equipment and vehicles is $5,000. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the activities within the government-wide financial statements, proprietary funds and the Pension Trust Fund.

The estimated useful lives are as follows:

Infrastructure	25-50 years
Buildings	25-40 years
Improvements	10-20 years
Equipment and vehicles	3-20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Interest is capitalized on construction in progress in the proprietary funds in accordance with Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax Exempt Borrowings and Certain Gifts and Grants*. Accordingly, interest capitalized is the total interest cost from the date of the borrowing, net of any allowable interest carried on temporary investments of the proceeds of those borrowings, until the specified asset is ready for its intended use.

L. Bond Discounts, Issuance Costs, and Deferred Amounts on Refundings

In governmental fund financial statements, bond discounts, issuance costs, and deferred amounts on refundings are recognized in the period incurred. In the government-wide and proprietary fund financial statements, these charges are deferred and amortized over the term of the issuance using the straight-line method, which approximates the effective interest method.

M. Property Tax Levy, Collection, and Maximum Rates

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property situated in the county. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. State code requires tax rates to be set no later than the first workday in September unless the Board of Supervisors elects to extend the deadline to October 3rd. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1st), and become delinquent if unpaid by August 31st.

Supplementary taxes that have been collected but unapportioned at year-end and unsecured taxes collected in advance are reported as unapportioned taxes in the Unapportioned Taxes Agency Fund. Secured property taxes are recorded as revenue in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by the California Revenue and Taxation Code Section 4701 et al (The Teeter Plan). This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1st of each year.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in the Tax Losses Reserve Agency Fund (TLRF). This reserve is used to offset the impact of accumulated delinquency remaining at year-end. The county's management believes that any ownership rights to the TLRF the county may have are effective only upon transfer or to the extent of losses related to the sale of tax defaulted property. The county has the authority to transfer any amounts in the fund that exceed a legally defined threshold, which was $21,509,000 at June 30, 2009. The year-end balance in the TLRF was $66,209,000. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the county's Teeter Plan.

N. Interfund Transactions

Interfund transactions are reflected as either loan, services provided, reimbursements or transfers. Loans are reported as receivables and payables (as appropriate), are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

O. Compensated Absences and Sick Leave

Under terms of union contracts and various Board resolutions, county employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation hours. Employees are not reimbursed for accumulated sick leave except management employees who are eligible for a payoff of unused sick leave accruals at resignation. Management employees must have a balance of at least 70.0% of their sick leave accruals and have been employed three years or more to be eligible for this benefit. The maximum amount payable under this Sick Leave Incentive Plan is 50.0% of accrued sick leave; however, the amount of sick leave payable is considered de minimis. Accordingly, no accrual for sick leave has been made in the accompanying basic financial statements.

Compensated absences as of June 30, 2009, were valued at $51,441,000, which includes $31,434,000 attributable to the General Fund, $7,222,000, attributable to the Special Revenue Funds, $11,099,000 recorded in Enterprise Funds, $87,000 recorded in Internal Service Funds, $103,000 recorded in the Component Unit, and $1,496,000 recorded in the Pension Trust Fund. Amounts attributable to the General Fund, Special Revenue Funds, and Component Unit are expected to be claimed in future periods and paid with future resources from those funds. Accordingly, this liability is reflected in the government-wide statement of net assets. In the proprietary funds and the Pension Trust Fund,

compensated absences are recorded as an expense and liability as the benefits accrue to employees. In compliance with GASB Statement No. 16, *Accounting for Compensated Absences*, the amounts reported include estimated employer liability for taxes and workers' compensation premiums.

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. FUND EQUITY

A. Restatement of Fund Equity/Net Assets

Government-wide Financial Statements – Restatement of Net Assets

In April 2003, the county issued Pension Obligation Bonds with a cost of issuance of $3,590,000. While properly recorded as an expenditure at the fund level, it was inadvertently not deferred at the government-wide level. $945,000 would have been amortized through the prior year resulting in a net remaining balance of $2,645,000 at July 1, 2008.

Summary

The adjustment to the beginning net assets is presented below (in thousands):

Net assets, beginning of year, as previously stated	$	829,675
Deferral of remaining Cost of Issuance on 2003 Pension Obligation Bond		2,645
Net assets, beginning of year, as restated	$	832,320

Housing Authority Enterprise Fund Adjustment

As of April 1, 2008, the Housing Authority's adjustments resulted in a prior year restatement of $5,000. The Housing Authority reclassified expenditures to/from capital expenditures.

Summary

The impact of the restatement on net assets at April 1, 2008, is presented below (in thousands):

		Housing Authority Enterprise*
Fund Balances/net assets as previously reported	$	49,175
Reclassification of prior year expenditures to/from capital expenditures		(5)
Fund Balances/net assets as restated	$	49,170

* Housing Authority Fund reported as of March 31, 2009.

B. Reserve for Prepaid Items and Deposits

Reserves are less than total prepaid items and deposits because the General Fund advanced $193,000 to subgrantees, which will use the funds for federal programs during fiscal year 2009-2010. As funds are spent, the federal government reimburses the county.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all governmental funds except the Public Financing Authority Debt Service Fund, the Assessment Districts Debt Service Fund, and the Assessment Districts Capital Projects Fund. All annual appropriations lapse at fiscal year-end. GAAP serves as the budgetary basis of accounting.

Schedules of revenues, expenditures, and changes in fund balance - budget vs. actual are included in the required supplementary section of this report for the General Fund and all major special revenue funds.

Encumbrance accounting is used in governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Deficit Net Assets

At June 30, 2009, governmental activities in the government-wide statement of net assets had unrestricted net assets of $(203,042,000). This deficit is primarily due to an increase in the county's net OPEB obligation for the primary government of $91,353,000 and a decrease in unrestricted revenues.

Two internal service funds had deficit net assets at June 30, 2009. The Long-Term Disability Insurance and Workers' Compensation Insurance Fire Protection funds show deficits of $1,037,000 and $509,000 respectively, declining from $1,169,000 and $5,336,000 surpluses in the June 30, 2008 CAFR. The declines are attributed to a decrease in fee revenue and increases in claims payable and benefit and claim expense.

The Sheriff Law Enforcement Training Center Enterprise Fund (Training Center), which is reported as a nonmajor enterprise fund, reported a year-end deficit of $509,000. This represents an increase of $54,000 from the June 30, 2008, CAFR and can be attributed mainly to a decrease in Sheriff's Academy enrollment and fees collected. From the inception of the Training Center, the Enterprise Fund has consistently experienced small annual deficits that have accumulated since fiscal year 2001 – 2002, despite diligent efforts to recover program costs through fees and other revenues. In recognition of the countywide benefits of the Training Center, the Board of Supervisors approved a small ongoing General Fund subsidy, and, combined with the continuing efforts of the Sheriff to increase operational efficiency and maximize cost recovery, is expected to eliminate any remaining deficit over time.

The County Facilities Capital Projects Fund eliminated the deficit of $9,095,000 carried forward from the June 30, 2008, CAFR. This was accomplished with revenues resulting from the issuance of the 2009 Lease Revenue Bonds for capital improvements to Ellinwood Way, Pleasant Hill and Delta Fair Blvd., Antioch.

4. CASH AND INVESTMENTS

Summary of cash and investment balances by activity (in thousands):

	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	First 5 Contra Costa Children and Families Commission	Fiduciary Funds
Cash and investments	$ 432,598	43,438	50,075	5,623,466
Restricted cash held by fiscal agent	94,825	23,976		
	$ 527,423	67,414	50,075	5,623,466

The cash balances of substantially all funds, except the Pension and Investment Trust Funds, are maintained in the county's internal pool and invested by the County Treasurer. Income from pooled investments is allocated to the funds based on average daily balances. As permitted by the California Government Code, legally separate entities that are not part of the county reporting entity also have individual investment accounts in the County Treasury. These investment accounts are separate from the pool and are reported in the Investment Trust Fund. Specific investments are acquired for those separate entities at their direction and the income from and changes in the value of these investments affect only the entity for which they were acquired. The CCCERA Board directs the investment activity of the Pension Trust Fund.

A. Summary of Cash and Investments

Cash and investments at June 30, 2009 (December 31, 2008, for the Pension Trust Fund and March 31, 2009, for the Housing Authority), are reported as follows (in thousands):

		Deposits and Certificates of Deposits	Investments	Total
From the Statement of Net Assets				
Primary Government	Cash and investments	$ 15,581	460,455	476,036
	Restricted cash and investments	19,951	98,850	118,801
First 5 Contra Costa Children and Families Commission	Cash and investments	35,425	14,650	50,075
From the Statement of Fiduciary Net Assets				
Pension and Other Employee Benefit Trust Funds	Cash and investments	20,114	3,911,468	3,931,582
	Cash collateral-securities lending		280,748	280,748
Investment Trust Fund	Cash and investments	10,000	1,238,561	1,248,561
Private-Purpose Trust Fund	Cash and investments	3,976	8,314	12,290
Agency Funds	Cash and investments	50,003	100,282	150,285
Total		$ 155,050	6,113,328	6,268,378

B. Investments (excluding the Pension Trust Fund)

Deposits

Deposits include bank deposits at a carrying amount of $154,960,000. The balance reported by various financial institutions was $150,750,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $3,661,000 was covered by federal depository insurance and $147,089,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

According to the California Government Code Section 53601, bank obligations such as certificates of deposit are considered investments. However, in accordance with accounting principles generally accepted in the United States of America, the county has classified certificates of deposit in the amount of $64,369,000 as deposits. Of the certificates of deposit balance, $1,003,000 was insured and $63,366,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

Under the California Government Code, a financial institution is required to secure deposits in excess of $100,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral must be held at the pledging bank's trust department or at another bank, acting as the pledging bank's agent, in the public agency's name. The

county may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The county, however, has not waived the collateralization requirements.

The county follows the practice of pooling cash of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated on a quarterly basis to the various funds based on the quarterly average cash balances. Interest income from cash with fiscal agent is credited directly to the related fund.

Authorized Investments

Under provisions of the county's investment policy, the county may invest in the following:

Bonds and notes issued by local agencies with a maximum maturity of five years. Obligations issued by Agencies or Instrumentalities of the U.S. Government.

State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or pooled cash investment funds managed by county treasurers.

U.S. Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

Registered state warrants, treasury notes, or bonds issued by the state of California.

Bonds, notes, warrants, or other evidence of debt issued by a local agency within the state of California, County Treasurer, other local agencies or Joint Powers Agencies.

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments.

Banker's acceptances with a term not to exceed 270 days, limited to 40% of surplus funds; no more than 30% of surplus funds can be invested in Bankers Acceptances of any single commercial bank.

Prime commercial paper not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp., limited to 15% of surplus funds; provided that if the average total maturity of all commercial paper does not exceed 31 days up to 30% of surplus funds can be invested in commercial paper.

Negotiable certificates of deposit issued by federally or state chartered banks or associations, limited to not more than 30% of surplus funds.

Repurchase/reverse repurchase agreements of any securities authorized by the California Government Code Sections 5922 and 53601 et seq. Securities purchased under these agreements shall be no less than 102% of market value. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.

Medium-term notes (not to exceed two years) of U.S. corporations rated "AAA" or better by Moody's or Standard & Poor's limited to not more than 30% of surplus funds.

Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds); Funds must carry the highest rating of at least two national rating agencies and are limited to not more than 20% of surplus funds.

The Local Agency Investment Fund (LAIF) maintained by the state of California.

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond with a maximum maturity of five years, securities in this category must be rated AA or better by a national rating service and are limited to not more than 30% of surplus funds.

Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest.

Monies held by a trustee or fiscal agent and pledged to the payment of security bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements.

Insured demand and savings deposits, provided that deposits in excess of the insured amounts must be 100% collateralized by federal securities (Housing Authority).

Insured money market accounts (Housing Authority).

Insured SUPERNOW accounts, provided the deposit in excess of insured amount must be 100% collateralized by federal securities (Housing Authority).

Sweep accounts that are 100% collateralized by federal securities (Housing Authority).

Funds held under the terms of a trust indenture or other contract or agreement including HUD/PHA annual contributions contract, may be invested according to the provisions of those indentures or contracts.

Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.

Risk Disclosures

Interest Rate Risk. As a means of limiting its exposure to losses arising from rising interest rates, the county's investment policy provides that final maturities of securities cannot exceed five years, unless the county Board of Supervisors (Board) has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

At June 30, 2009, the county (March 31, 2009, for the Housing Authority) excluding CCCERA investments (as of December 31, 2008, which are shown on page 55), had the following investments and maturities (in thousands):

		Investment Maturities				
Investment Type:		Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Fair Value Total
U.S. Treasury notes & bonds	$	6,409	37,864	1,028		45,301
U.S. agencies - (FHLB, FNMA, FFCB, FHLMC)		77,797	232,953	2,848		313,598
Corporate notes		9,984	28,489	1,663		40,136
Municipal bonds		998	1,706			2,704
Asset backed securities		79				79
Repurchase agreements		185,000				185,000
Commercial paper		342,093				342,093
Negotiable certificates of deposit		251,656				251,656
Guaranteed investment contracts					13,472	13,472
Mutual funds		168,356				168,356
LAIF		476,597				476,597
CAMP		426				426
Local obligation bond					85	85
Banker's acceptance		81,609				81,609
Total	$	1,601,004	301,012	5,539	13,557	1,921,112

As of June 30, 2009, the portfolio contained $58,715,000 of callable U.S. Agencies, representing 14.04% of investment cost at June 30, 2009.

Credit Risk. State law limits investments in commercial paper with an A1 and all other investments with an investment grade rating issued by nationally recognized statistical rating organizations (NSROs). The county's policy is to limit its investments in these investment types to the top rating issued by NSROs including raters Standard and Poor's, Fitch Ratings, and Moody's Investors Service.

The following schedule lists the types of investments and the range of credit ratings as rated by Standard and Poor's:

Investment Type:		Fair Value (in thousands)	Quality Rating Range
U.S. Treasury notes, strips, bills	$	45,301	AAA to A-1+
Federal Home Loan Bank (FHLB)		148,869	AAA to A-1+
Federal National Mortgage Association (FNMA)		65,392	AAA
Federal Farm Credit Bank (FFCB)		26,372	AAA
Federal Home Loan Mortgage-Corp (FHLMC)		58,568	AAA to A-1+
Federal agriculture mortgage		7,220	Not rated
Freddie Mac		6,669	Not rated
Fannie Mae		508	AAA
Corporate notes		40,136	AAA to A
Municipal bonds		2,704	AA+ to A+
Asset-backed securities		79	AAA
Repurchase agreements		185,000	Not rated
Commercial paper		342,093	A-1+ to A-1
Negotiable certificates of deposit		251,656	A-1+ to A-1
Guaranteed investment contracts		13,472	Not rated
Mutual funds		85,123	AAA
Mutual funds		83,072	Not rated
Mutual funds		161	Not rated
LAIF		476,597	Not rated
CAMP		426	Not rated
Banker's acceptance		81,609	A-1+ to A-1
Local obligation bond		85	Not rated
Total	$	1,921,112	

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. There are no county investments in which the securities are held by the investment's counterparty, not in the name of the county.

Concentration of Credit Risk. The Treasurer's investment policies and guidelines permit the county to be invested in any one issuer's investments up to 10% of the county's total assets of the investments held by the county. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 10% or more of plan net assets.

Other Financial Instruments

In accordance with California statutes, the county may invest in a wide variety of investment instruments, including asset-backed securities, such as: collateralized mortgage obligations and principal-only strips and forward contracts.

The Treasurer holds principal-only strip instruments for the benefit of some county school districts. Those school districts utilize the services of an independent financial advisor in determining their investment strategy. As of June 30, 2009, the county's portfolio included $1,249,000 of strip investments.

The county's investments with the Local Agency Investment Fund (LAIF), a state of California investment pool, at June 30, 2009, included a portion of the pool funds invested in structured notes and asset-backed securities, as follows:

> Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
>
> Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets (such as principal) and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2009, the county had $442,597,000 invested in LAIF, the Housing Authority (March 31, 2009) had $7,267,000 invested in LAIF, and the fiscal agents had $26,733,000 invested in LAIF which had invested 0.17% of the pool investment funds in structured notes and asset-backed securities.

The derivative information for the various mutual funds in which the county had investments is not available.

At June 30, 2009 (March 31, 2009, for the Housing Authority), the amount of assets restricted by legal and contractual requirements was as follows (in thousands):

	Governmental Activities		Business-type Activities		
	General Fund	Nonmajor Governmental Funds	County Hospital	Housing Authority	Nonmajor Enterprise Funds
Lease purchase	$ 3,012				
Pension obligation bond		10,315			
Nonexpendable portion of permanent fund		1,729			
Bond proceeds, housing projects, and debt services		67,350			
Public Financing Authority:					
1998 Lease revenue bond		1,793			
1999 Lease revenue bond		107			
2001A & 2001B Lease revenue bonds		19			
2003 Lease revenue bond		457			
2007A & 2007B Lease revenue bonds		7,301			
2001 Reassessment bond		397			
Pleasant Hill BART bond reserve 1987-1 reserve account		521			
San Ramon bond reserve 1989-1 reserve account		43			
Kensington reserve fund AD 91-1 reserve account		266			
San Pablo bond reserve AD 91-3 reserve account		28			
Pleasant Hill BART RFD 98 reserve account		519			
Norris Canyon 2001-1 reserve account		602			
Kensington construction/improvement bond AD 91-1		26			
County Hospital Enterprise Fund:					
2007A & 2007B Lease revenue bonds			8,382		
Construction fund			667		
Capital lease funds that have not been spent, operating revenues required by lender, and funds held on behalf of its clients.				14,907	
Restricted program money	340				20
Total restricted assets	$ 3,352	91,473	9,049	14,907	20

County management believes that the county is in compliance with all terms of its debt agreements and all state statute requirements.

C. Pension Trust Fund Deposits and Investment Risk Disclosures

Deposits

At year-end, the carrying amount of CCCERA's cash deposits was $90,000 (which is included in cash equivalents) and the bank balance was $956,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $100,000 was covered by federal depository insurance, and $856,000 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Under the California Government Code, a financial institution is required to secure deposits in excess of $100,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental deposits by pledging first deed mortgage notes having an institution's trust department or agent in CCCERA's name.

Investment Stewardship

Except as otherwise expressly restricted by the California Constitution and by law, the CCCERA Board invests the assets of CCCERA through the purchase, holding, or sale of any form or type of instruments, or financial transaction, when prudent, in the informed opinion of the CCCERA Board. In addition, the CCCERA Board has established an investment policy, which places limits on the compositional mix of cash, fixed income, equity securities, alternative investments and real estate investments. CCCERA currently employs external investment managers to manage its assets subject to the guidelines of the investment policy.

As permitted by the Government Code, CCCERA directs the County Treasurer to make specific investments on behalf of CCCERA. Investments made by the County Treasurer are subject to regulatory oversight by the county's Treasury Oversight Committee, as required by the California Government Code Section 27134.

Investment Risk

Investments are subject to certain types of risks, including interest rate risk, credit risk (including custodial credit risk and concentrations of credit risk), and foreign currency risk. The following describes those risks:

Interest Rate Risk. The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

The following schedule is a list of fixed income and short-term investments and the related maturity schedule for CCCERA as of December 31, 2008 (in thousands):

	Investment Maturities				
Investment type	Less than 1 year	1-5 years	6-10 years	More than 10 years	Fair Value Total
Collateralized mortgage-backed securities (CMBS)	$ 5,634	28,045	29,834	36,809	100,322
Collateralized mortgage-obligations		692	13	119,576	120,281
Corporate bonds	11,183	136,920	135,882	25,002	308,987
Private placements	229,844	19,630	54,238	62,731	366,443
Short-term investment-fund instruments				124,295	124,295
U.S. Treasury notes & bonds	39,016	23,038	35,847	173,652	271,553
U.S. agencies - (GNMA, FNMA, FHLMC)	4,025	58,100	46,754	301,796	410,675
Total	$ 289,702	266,425	302,568	843,861	1,702,556

Custodial Credit Risk. For an investment, custodial credit risk is the risk that CCCERA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counter party fails. At year-end, CCCERA has no custodial credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The fair value of investments on loan at December 31, 2008, is $276,873,000, which was collateralized by cash in the amount of $280,748,000.

Concentration of Credit Risk. The Board's investment policies and guidelines permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 5% or more of plan net assets.

Credit Risk. CCCERA's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions and defraying reasonable expenses of administering the Trust. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly prudent not to do so. Nationally recognized statistical rating organizations provide ratings of debt securities quality based on a variety of factors, for example, the financial condition of the issuers, which provide investors with some idea of the issuer's ability to meet its obligations.

Fixed maturity investments may consist of rated or non-rated securities. Ratings can range from AAA (highest quality) to D (default). Debt securities with ratings of BBB or higher are considered investment grade issues, and debt securities with ratings of BB or lower are non-investment grade issues, and debt securities with rating of BB or lower are non-investment grade issues. Debt securities in the non-investment grade category are more speculative and often referred to as "high-yield." This is due to the

fact that lower rated debt securities generally carry a higher interest rate to compensate the buyer for taking on additional risk.

The following is a schedule of the credit risk ratings of CCCERA's fixed income and short-term investments as of December 31, 2008, as rated by Standard and Poor's:

Quality Rating		Fair Value (in thousands)
AAA	$	1,033,769
AA+		37,669
AA		23,310
AA-		74,710
A+		22,178
A		38,211
A-		16,233
BBB+		26,342
BBB		33,703
BBB-		29,280
BB+		28,479
BB		17,700
BB-		19,925
B+		14,803
B		29,636
B-		20,556
CCC+		8,232
CCC		2,085
CCC-		24
CC		13
D		3,574
NR		222,124
Total	$	1,702,556

The following is a schedule of credit quality ratings, by type, of CCCERA's fixed income and short-term investments as of December 31, 2008, as rated by Standard and Poor's:

Investment Type	Quality Rating Range
Asset-backed securities*	AAA to AA+
Convertible bonds*	AAA to CCC-
CMBS*	BB+ to B-
Corporate bonds	CC to D
Municipals	AAA to AA
Private placements	AAA to BB-
Real estate investment trust*	B+
Repurchase agreement	AAA
Short-term*	A-1 to A-1
U.S. agencies*	AAA to AA-
Mutual funds	Not rated

* Investment type contained one or more investments that were not rated.

Foreign Currency Risk. The risk that changes in exchange rates will adversely affect the fair value of an investment. CCCERA's external investment managers may invest in international securities and must follow CCCERA's investment guidelines pertaining to these types of investments. CCCERA does not have a formal policy relating to foreign currency risk. CCCERA's exposure to foreign currency risk is as follows:

Currency		(in thousands)
Australian dollar	$	10,629
Brazilian dollar		3,827
British pound sterling		65,402
Canadian dollar		9,511
Columbian peso		1,605
Czech Koruna		1,539
Danish krone		4,262
Egyptian pound		2,091
Euro		159,610
Ghanaian Cedi		2,531
Hong Kong dollar		19,945
Indian rupee		2,208
Indonesian rupiah		1,434
Japanese yen		87,761
Maldive Rufiyaa		1,908
Mexican peso		3,437
New Zealand dollar		4,784
Nigerian Naira		2,288
Norwegian krone		4,213
Polish zloty		8,218
Singapore dollar		3,377
Swedish krona		3,671
Swiss franc		42,898
Total	$	447,149

The following schedule is a list of investments for CCCERA as of December 31, 2008:

Type of Investment		Fair Value (in thousands)
Deposit	$	90
Short term investments held by fiscal agent		445,626
Short term investments held by the county		1,307
Total short term investments		447,023
U.S. government and agency instruments		802,828
Private placement bonds		366,443
Domestic corporate bonds		251,882
International bonds		148,552
Total bonds		1,569,705
Domestic stocks		1,181,871
International stocks		402,572
Total stocks		1,584,443
Real estate		372,960
Alternative investments		218,175
Total investments	$	4,192,306

Other Financial Instruments

As permitted by the California Government Code and the investment policy, CCCERA uses forward settlement contracts, forward currency contracts, futures and options contracts and other derivative products within fixed income financial instruments. These derivative financial instruments are used to reduce financial market risks, enhance yields and to participate in all market areas without increasing investment costs. At December 31, 2008, the following derivative financial instruments were held by investment managers:

Various investment managers for CCCERA manage fixed income portfolios that contain derivative type financial investments. These instruments include government and corporate obligations consisting of asset-backed securities, call and put options, floating rate notes, constant maturity index, Adjustable Rate Mortgages (ARMs), Collateralized Mortgage Obligations (CMOs), Collateralized Mortgage Backed Securities (CMBS) and LIBOR Indexed ARMs. The fair value of derivative financial instruments at December 31, 2008, is $682,538,000.

PIMCO and Lazard have made investments in forward currency contracts, which are unrecorded commitments to purchase or sell stated amounts of foreign currency. Gains or losses on the disposition of the commitments are recorded at the time of settlement. The fair values of forward contracts are determined by quoted currency prices from national exchanges. As of December 31, 2008, total commitments in forward currency contracts to purchase and sell foreign securities were $189,960,000 and $189,960,000, respectively, with market values of $195,768,000 and $193,950,000 respectively.

Securities Lending by the Employees' Retirement Association (Pension Trust Fund)

The CCCERA's investment policy permits the use of a securities lending program with its principal custodian bank. The CCCERA lends domestic and international bonds and equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. The custodian bank provides loss indemnification to the CCCERA if the borrower fails to return the securities.

The custodian bank manages the securities lending program and receives cash and/or securities as collateral. The collateral cash can be invested and is automatically rolled into a Short-Term Investment Fund (STIF). The collateral securities cannot be pledged or sold by the CCCERA without borrower default. Securities on loan must be collateralized at 102.0% and 105.0% of the fair value of domestic securities and non-domestic securities, respectively, plus accrued interest (in the case of debt securities).

There are no restrictions on the amount of securities that can be loaned at one time. CCCERA has the right to terminate any loan in whole or in part by providing the custodian bank with written notice (a "Recall Notice"). Because the loans are terminable at will, the term to maturity of the security loans is generally not matched with the term to maturity of the cash collateral. There were no losses associated with securities lending transactions during the year.

At year-end, additional funds of $3,522,000 are due as collateral for CCCERA's securities on loan. This is known as the "calculated mark" and will settle on the first business day of January, 2009. CCCERA had

no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The fair value of investments on loan at December 31, 2008, is $276,873,000, which was collateralized by cash in the amount of $280,748,000, and has been reported as an asset and liability in the CCCERA Statement of Plan Net Assets.

5. RECEIVABLES

Receivables at year-end of the county's major individual funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Internal Service	Total Governmental Activities
Taxes receivable	$ 1,184	692		224		2,100
Accounts receivable	139,705	1,074	36,198	54,941	24,298	256,216
Advances receivable	84					84
Gross receivables	140,973	1,766	36,198	55,165	24,298	258,400
Less: Allowance for uncollectibles	(4)					(4)
Total receivables (net)	$ 140,969	1,766	36,198	55,165	24,298	258,396

Business-type Activities	County Hospital	Housing Authority	Nonmajor	Total Business-type Activities
Accounts receivable	$ 222,055	1,042	32,494	255,591
Gross receivables	222,055	1,042	32,494	255,591
Less: Allowance for uncollectibles	(178,219)			(178,219)
Total receivables (net)	$ 43,836	1,042	32,494	77,372

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2009, the various components of deferred revenue and unearned revenue reported were as follows (in thousands):

	Unavailable	Unearned
Governmental Activities:		
General:		
Notes receivable (Community Development Block Grant-CDBG loans)	$ 62,877	
Advances not yet earned		5,167
Other receivables and advances		9,671
Resources received that do not yet meet the criteria for revenue recognition		64
CCC Fire Protection District Special Revenue:		
Resources received that do not yet meet the criteria for revenue recognition	65	
Land Development Special Revenue:		
Other receivables and advances		18,903
Resources received that do not yet meet the criteria for revenue recognition	128	
Nonmajor Governmental:		
Notes receivable	11,523	
Advances not yet earned		505
Other receivables and advances		2,116
Total Governmental Activities	$ 74,593	36,426
Business-type Activities:		
County Hospital:		
Resources received that do not yet meet the criteria for revenue recognition		$ 26,447
Housing Authority:		
Resources received that do not yet meet the criteria for revenue recognition		852
Nonmajor Enterprise:		
Resources received that do not yet meet the criteria for revenue recognition		557
Total Business-type Activities		$ 27,856

6. INTERFUND TRANSACTIONS

A. Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2009, is as follows (in thousands):

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Land Development Special Revenue Fund	$ 3,204
	CCC Fire Protection District Special Revenue Fund	231
	Nonmajor Governmental Funds	52,232
	County Hospital Enterprise Fund	7,426
	Nonmajor Enterprise Funds	1,346
	Internal Service Funds	2,331
		66,770
CCC Fire Protection District Special Revenue Fund	General Fund	12
	Nonmajor Governmental Funds	598
	Internal Service Funds	21
		631
Land Development Special Revenue Fund	General Fund	225
	CCC Fire Protection District Special Revenue Fund	3
	Nonmajor Governmental Funds	295
	Nonmajor Enterprise Funds	11,737
		12,260
Nonmajor Governmental Funds	General Fund	4,193
	Land Development Special Revenue Fund	21
	Nonmajor Governmental Funds	2,386
	County Hospital Enterprise Fund	53
	Nonmajor Enterprise Funds	5
	Internal Service Funds	33
		6,691
County Hospital Enterprise Fund	General Fund	1,868
	Land Development Special Revenue Fund	5
	Nonmajor Governmental Funds	532
	Nonmajor Enterprise Funds	15,519
	Internal Service Funds	34
		17,958
Nonmajor Enterprise Funds	General Fund	1,234
	County Hospital Enterprise Fund	27,520
	Internal Service Funds	16
		28,770
Internal Service Funds	General Fund	919
	CCC Fire Protection District Special Revenue Fund	3
	Land Development Special Revenue Fund	20
	Nonmajor Governmental Funds	130
	County Hospital Enterprise Fund	7
	Nonmajor Enterprise Funds	27
	Internal Service Funds	70
		1,176
Total		$ 134,256

The due to/from other funds account balances primarily resulted from interfund cash transactions recorded after the cash cut-off on June 30, 2009.

B. Advances To/From

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	$ 7,468
Total		$ 7,468

The advances to/from other funds account balances resulted from interfund loans from the Other Special Revenue Fund to the RDA.

C. Interfund Transfers

Transfers were made during the year from the General Fund to subsidize the operations of the Hospital, HMO, and Sheriff Law Enforcement Training Center. Other transfers primarily consisted of payments from the various operating funds (principally the General Fund) to debt service funds in accordance with long-term debt covenants. In addition, special revenue funds made transfers to other funds to reimburse eligible costs incurred.

Interfund transfers to/from other funds for the year ended June 30, 2009 were as follows (in thousands):

Transfer From	Transfer To	Amount	Purpose
General Fund	Nonmajor Governmental Funds	$ 328	Transfer for reimbursement of the County Emergency Communication Equipment Project.
	Nonmajor Governmental Funds	1,957	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	268	Transfer funds for the Sheriff's Patrol usage of helicopter and communication systems.
	Nonmajor Governmental Funds	30	Transfer funds to reimburse for Aries Maintenance expenditures.
	Nonmajor Governmental Funds	60	Provide subsidy for Justice Automated Warrant System (JAWS).
	Nonmajor Governmental Funds	16	Transfer funds to reimburse for annexation costs.
	Nonmajor Governmental Funds	38,371	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	51	Transfer of unspent lease purchase proceeds.
	County Hospital Enterprise Fund	57,831	Provide subsidy to cover portion of the County Hospital's operation.
	Nonmajor Enterprise Funds	3,519	Provide subsidy to cover a portion of the HMO's operation.
	Nonmajor Enterprise Funds	250	Provide subsidy to cover a portion of Law Enforcement Training Center operation.
	Internal Service Funds	3,632	Transfer release of fund balance reserve for vehicle replacement to the Fleet Services Internal Service Fund.
Total		$ 106,313	
Land Development Special Revenue Fund	General Fund	$ 383	Transfer funds for the Neighborhood Preservation Program.
	Nonmajor Governmental Funds	581	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	37	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 1,001	

(continued)

Transfer From	Transfer To	Amount	Purpose
Nonmajor Governmental Funds	General Fund	$ 578	Transfer special revenue to support operations for detention and patrol.
	General Fund	6	Transfer and reimbursement for STAND! subsidy.
	General Fund	17,484	Transfer of Mental Health Services Act revenues for Fiscal Year 2008 - 2009.
	General Fund	253	Transfer funds for CLEEP interest.
	General Fund	2	Transfer of interest earned on CDBG for remittance to Housing Urban Development.
	General Fund	170	Transfer funds for Automated Systems Development.
	General Fund	216	Transfer funds for jail allocation.
	General Fund	5	Transfer funds for Fish and Wildlife grant.
	General Fund	8	Transfer to reimburse for the costs of the Discovery Bay Resident Deputies.
	CCC Fire Protection District Special Revenue Fund	132	Transfer funds from the Contra Costa Fire Protection District pension obligation bond to the Fire Pension Obligation Bond Stabilization fund.
	CCC Fire Protection District Special Revenue Fund	161	Transfer of Measure H funds to reimburse for Emergency Medical Services medical equipment.
	CCC Fire Protection District Special Revenue Fund	163	Transfer of Measure H funds for paramedic costs and oversight activities.
	CCC Fire Protection District Special Revenue Fund	500	Transfer of funds for the purchase of a fire truck, to improve fire safety, and emergency services within the county.
	Nonmajor Governmental Funds	1,865	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	214	Transfer and reimbursement between stormwater funds.
	Nonmajor Governmental Funds	17	Transfer of CSA EM-a Measure H funds to reimburse for EMS medical equipment.
	Nonmajor Governmental Funds	687	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.

(continued)

Transfer From	Transfer To	Amount	Purpose
	Nonmajor Governmental Funds	60	Transfer funds in support of Clean Catch Basins initiative.
	Nonmajor Governmental Funds	60	Transfer funds in support of Litter Pickup initiative.
	Nonmajor Governmental Funds	4	Transfer project charges.
	Nonmajor Governmental Funds	8,249	RDA interfund transfers related to debt service and capital projects.
	Nonmajor Governmental Funds	76	Transfer from the Permanent fund to the Library.
	Nonmajor Governmental Funds	200	Transfer funds to the Dougherty Station Library from the County Service Area M-29 revenue per reimbursement agreement.
	Nonmajor Governmental Funds	34	Transfer Proposition 12 funds to County Service Area.
Total		$ 31,144	
County Hospital Enterprise Fund	Nonmajor Governmental Funds	$ 9,613	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	618	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 10,231	
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	$ 36	Transfer a portion of the Salaries and Benefit Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	646	Transfer a portion of the Salaries and Benefit Expense for the Retirement Litigation Settlement.
	Internal Service Funds	14	Transfer release of fund balance reserve for vehicle replacement to the Fleet Services Internal Service Fund.
Total		$ 696	
Internal Service Funds	Nonmajor Governmental Funds	$ 60	Transfer a portion of the Salaries and Benefit Expense to the Pension Obligation Bond fund.
	County Hospital Enterprise Fund	25	Transfer vehicle from Fleet Services to the County Hospital.
	Internal Service Funds	1,600	Transfer from Medical Liability Insurance fund to the Public Liability Insurance fund.
Total		$ 1,685	

(concluded)

The county pays a subsidy to the County Hospital, Health Maintenance Organization and Sheriff Law Enforcement Training Center Enterprise Funds to provide resources for operating costs which are in excess of operating revenues. Subsidies for the past three years are as follows (in thousands):

Year End June 30	Total Subsidy
2007	$59,749
2008	62,244
2009	61,600

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009 (March 31, 2009, for the Housing Authority), was as follows (in thousands):

	Balance July 1, 2008	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2009
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 73,406	2,332	(2,009)		73,729
Construction in progress	59,232	15,599		(4,555)	70,276
Total capital assets, not being depreciated	132,638	17,931	(2,009)	(4,555)	144,005
Capital assets, being depreciated:					
Infrastructure	400,870	24,602		4,555	430,027
Structures and improvements	631,199	17,285	(739)		647,745
Equipment	136,168	11,486	(7,232)	(25)	140,397
Total capital assets, being depreciated	1,168,237	53,373	(7,971)	4,530	1,218,169
Less accumulated depreciation for:					
Infrastructure	(107,869)	(8,481)			(116,350)
Structures and improvements	(312,445)	(20,684)	504		(332,625)
Equipment	(87,579)	(10,784)	6,490		(91,873)
Total accumulated depreciation	(507,893)	(39,949)	6,994		(540,848)
Total capital assets, being depreciated, net	660,344	13,424	(977)	4,530	677,321
Governmental activities capital assets, net	$ 792,982	31,355	(2,986)	(25)	821,326

	Balance July 1, 2008 (as restated)	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2009
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 12,816				12,816
Construction in progress	4,335	1,118		(1,258)	4,195
Total capital assets, not being depreciated	17,151	1,118		(1,258)	17,011
Capital assets, being depreciated:					
Structures and improvements	333,108	2,066	(89)	1,258	336,343
Equipment	37,706	4,300	(887)	25	41,144
Total capital assets, being depreciated	370,814	6,366	(976)	1,283	377,487
Less accumulated depreciation for:					
Structures and improvements	(152,915)	(11,158)	37		(164,036)
Equipment	(26,255)	(2,454)	854		(27,855)
Total accumulated depreciation	(179,170)	(13,612)	891		(191,891)
Total capital assets, being depreciated, net	191,644	(7,246)	(85)	1,283	185,596
Business-type activities capital assets, net	$ 208,795	(6,128)	(85)	25	202,607

At July 1, 2008, the county, particularly Housing Authority, made the following restatements to business-type capital assets and depreciation (in thousands):

Business-type activities capital assets as reported in the prior year:	$208,803
Record adjustments to construction in progress	(8)
Business-type activities capital assets as restated - July 1, 2008	$208,795

	Balance July 1, 2008	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2009
Component Unit:					
Capital assets, not being depreciated:					
Land	$ 246				246
Total capital assets, not being depreciated	246				246
Capital assets, being depreciated:					
Structures and improvements	667				667
Equipment	95	12			107
Total capital assets, being depreciated	762	12			774
Less accumulated depreciation for:					
Structures and improvements	(29)	(25)			(54)
Equipment	(10)	(17)			(27)
Total accumulated depreciation	(39)	(42)			(81)
Total capital assets, being depreciated, net	723	(30)			693
Component unit capital assets, net	$ 969	(30)			939

The Pension Trust Fund had net capital assets of $1,578,000. This consisted of servers, equipment, furniture, and leasehold improvements.

Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

General government	$ 21,535
Public protection	10,052
Health and sanitation	244
Public assistance	543
Education	303
Public ways and facilities	5,698
Recreation and culture	275
Capital assets held by the county's internal service funds are charged to the various functions based on their usage of the assets.	1,299
Total depreciation expense - governmental functions	$ 39,949

Depreciation expense was charged to the business-type functions as follows (in thousands):

County Hospital	$ 8,319
Housing Authority	3,526
Nonmajor Enterprise Funds	1,767
Total depreciation expense - business-type functions	$ 13,612

8. SHORT-TERM NOTES PAYABLE

On June 30, 2009, the county had no outstanding tax and revenue anticipation notes. The county redeemed the November 15, 2007, issue of $180,000,000 on December 5, 2008. The redemption monies were from taxes and other revenues transferred to a fiscal agent during the fiscal year. Total interest incurred on these notes during fiscal year 2008-2009 was $3,115,000. The note was issued to finance seasonal cash flow requirements for fiscal year ended June 30, 2009.

(In Thousands)

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
$	180,000		(180,000)	

9. PAYABLES

Accounts payable and accrued liabilities at year-end were as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Internal Service	Total Governmental Activities
Accounts payable	$ 7,463	987	548	10,067	206	19,271
Accrued payroll	48,226	5,063	1,030	4,240		58,559
Total accounts payable and accrued liabilities	$ 55,689	6,050	1,578	14,307	206	77,830

Business-type Activities	County Hospital	Housing Authority	Nonmajor	Total Business-type Activities
Accounts payable	$ 5,906	960	27,818	34,684
Accrued payroll	19,213	354	1,060	20,627
Total accounts payable and accrued liabilities	$ 25,119	1,314	28,878	55,311

10. LEASES

A. Operating Leases

Total rental expense for the year ended June 30, 2009 (March 31, 2009, for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to: $12,843,000 for the General Fund; $83,000 for the CCC Fire Protection District Special Revenue Fund; $1,112,000 for the nonmajor governmental funds; $22,000 for the Land Development Special Revenue Fund; $4,490,000 for the County Hospital Enterprise Fund; and $284,000 for nonmajor enterprise funds.

At June 30, 2009 (March 31, 2009, for the Housing Authority), the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2010	$	7,563	100
2011		6,645	100
2012		5,223	100
2013		3,627	100
2014		3,305	100
2015-2019		14,547	300
2020-2024		14,240	
Thereafter		15,052	
	$	70,202	800

B. Capital Leases

The county has capital lease purchase agreements for various county buildings, improvements, and equipment. The assets acquired under those lease purchase agreements are included in the county's capital assets. The costs of these assets for both governmental and business-type activities were $11,267,000 for buildings and improvements and $10,311,000 for equipment. The obligations related to those lease purchase agreements are included in the county's long-term obligations (see Note 11).

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2009 (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2010	$	4,350	198
2011		3,432	355
2012		1,951	354
2013		1,169	214
2014		906	107
2015-2019		1,332	
2020-2024		140	
Total		13,280	1,228
Less: Amount representing interest		(1,600)	(145)
Present value of future minimum lease payments	$	11,680	1,083

C. Leases of County-Owned Property

The county has non-cancelable operating leases of property to others for various operations including recreational, commercial, airport and governmental purposes. Rental income for the year ended June 30, 2009, amounted to $1,601,000 for the General Fund, $492,000 for nonmajor governmental funds, $45,000 for the County Hospital Enterprise Fund and $3,423,000 for nonmajor enterprise funds.

The leased assets included both land and buildings for both governmental and business-type activities. The net book value of the leased buildings was $1,259,000; including cost of $2,678,000 and accumulated depreciation of $1,419,000. The land leases were primarily associated with business-type activities at the Airport. The cost of the land associated with these leases is indeterminate, as the leased land is a small percentage of Airport land asset.

The following is a schedule of future minimum rental receipts on non-cancelable lease agreements, not including month-to-month lease agreements, as of June 30, 2009 (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2010	$	348	2,206
2011		325	2,164
2012		222	1,899
2013		143	1,833
2014		13	1,747
2015-2019			8,350
2020-2024			7,035
2025-2029			6,818
2030-2034			6,449
2035-2039			5,098
2040-2044			2,831
2045-2049			368
	$	1,051	46,798

11. LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the year ended June 30, 2009 (in thousands):

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009	Amounts Due Within One Year
Governmental Activities					
Compensated absences	$ 40,150	33,612	(35,019)	38,743	3,874
Claims payable	101,476	60,181	(47,033)	114,624	32,413
Net OPEB obligation (Note 16)	158,909	148,935	(57,582)	250,262	
Retirement litigation settlement debt service	24,034		(837)	23,197	904
Capital leases	12,478	2,629	(3,427)	11,680	3,803
Pension bonds payable	619,135		(30,215)	588,920	33,430
Notes payable	1,482		(98)	1,384	52
Other bonds payable	3,650		(390)	3,260	405
Lease revenue bonds	162,386	23,121	(9,423)	176,084	9,751
Tax allocation bonds	132,290		(1,410)	130,880	2,280
Special assessments	11,740		(665)	11,075	400
Environmental remediation [9]	1,750	292	(1,348)	694	694
Total government funds-gross	1,269,480	268,770	(187,447)	1,350,803	88,006
Capitalized premiums, discounts and deferred amounts on refundings	1,112		(157)	955	156
Total governmental activities - Long-term obligations - net	$ 1,270,592	268,770	(187,604)	1,351,758	88,162
Business-type activities					
Compensated absences	$ 10,823	10,462	(10,186)	11,099	1,396
Medical liability claims payable	5,677		(2,316)	3,361	908
Capital leases	1,346	16	(279)	1,083	144
Notes payable	18,563		(317)	18,246	324
Other non-current liabilities	4,226	407		4,633	
Landfill post closure and closure liability[1]	649			649	
Lease revenue bonds payable	138,319	1,940	(5,966)	134,293	6,347
Total enterprise funds-gross	179,603	12,825	(19,064)	173,364	9,119
Capitalized premiums/discounts	(7,645)		825	(6,820)	(825)
Total business-type activities - Long-term obligations - net	$ 171,958	12,825	(18,239)	166,544	8,294
Component unit					
Compensated absences	$ 93	87	(77)	103	10

Individual issues of bonds and notes outstanding at June 30, 2009, are as follows (in thousands):

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
Governmental activities					
Pension obligation bonds [4],[5]:					
2001 Issue/Remaining 1994 Issue	2014	5.55-6.80%	$ 15,915-33,280	$ 313,640	$ 145,995
2003 Issue	2022	3.98-5.14	0-44,925	322,710	319,460
2005 CCCFPD Issue	2022	4.11-5.06	1,620-10,900	129,900	123,465
					588,920
Lease revenue bonds [8]:					
1998 Lease revenue	2025	3.80-5.15	525-1,745	24,695	18,965
1999 Lease revenue	2028	4.00-5.25	1,095-3,350	66,560	20,068
2001A Lease revenue	2026	3.15-4.15	335-900	13,905	2,950
2001B Lease revenue	2017	4.25-5.20	80-365	5,258	437
2002A Lease revenue	2027	2.75-5.00	155-760	12,650	3,490
2002B Lease revenue	2019	2.00-4.60	930-2,090	25,440	11,620
2003A Lease revenue	2028	2.00-5.00	365-1,240	18,500	6,970
2007A Lease revenue	2028	4.00-5.00	0-13,294	95,544	58,169
2007B Lease revenue	2018	5.00	1,170-4,525	40,337	30,294
2009A Lease revenue	2024	4.48	1,119-2,057	23,121	23,121
					176,084
Tax allocation bonds [3]:					
1999 Tax allocation bond	2029	4.00-5.125	475-3,250	44,615	20,295
2003A Tax allocation bond	2034	3.00-5.85	375-5,055	43,345	6,780
2007A Tax allocation bond	2037	4.00-5.00	305-6,945	87,705	87,400
2007B Tax allocation bond	2037	4.00-5.00	260-1,090	16,665	16,405
					130,880
Special assessment debt with government commitment [6]:					
Kensington 91-1	2013	5.25-6.00	150-300	4,684	755
Pleasant Hill BART 93-5	2015	5.44-6.93	55-140	1,530	695
Pleasant Hill BART CFD 92-1	2016	8.00	7-14	171	85
Pleasant Hill BART CFD 98-1	2017	4.20-5.10	135-3,075	4,785	3,075
Norris Canyon 2001-1	2032	4.10-6.10	110-495	7,220	6,465
					11,075
Other bonds payable [2]:					
CCC PFA revenue bonds 2001	2017	4.00-5.69	360-570	6,575	3,260
Notes payable [7]:					
State Energy Commission	2010	3.00	12-52	385	52
State Energy Commission	2025	3.95	68-122	1,332	1,332
					1,384
Total governmental activities					$ 911,603

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
Business-type activities					
Notes payable [7]:					
Westamerica note	2017	4.33%	50-161	$ 1,570	$ 1,073
California Housing Finance Agency	2025	7.8	5-50	600	469
Housing Authority Office Building	2017	7.25	8-2,282	2,848	2,756
Rental Housing Construction Program	2055	3.00		2,627	2,627
California Community Reinvestment Corp	2023	6.60	9-6,443	10,115	9,693
State Energy Commission	2025	3.95	83-149	1,628	1,628
					18,246
Lease revenue bonds [8]:					
Hospital Enterprise					
1999 Los Medanos	2028	3.00-5.25	150-505	8,125	2,327
2001A Los Medanos	2026	3.15-4.15	10-265	4,125	875
2001B CC Regional Medical Center	2027	4.25-5.20	445-1,250	18,517	1,759
2007A Lease revenue	2028	4.00-5.00	0-3,691	26,521	63,016
2007B Lease revenue	2018	5.00	2,485-9,615	69,928	64,376
2009A Lease revenue	2024	4.48	94-173	1,940	1,940
					134,293
Total business-type activities					$ 152,539

NOTES:

(1) State environmental laws require the monitoring by the county of closed landfills for at least thirty years after closure. The liability is recognition of the estimated cost of performing the required post closure monitoring.

(2) Debt service payments are made from restricted property taxes and other revenues recorded in the debt service funds.

(3) The tax allocation bonds are secured by property tax increments. Annual principal and interest payments on the bonds are expected to require 90% of revenues from RDA Debt Service fund. The total principal and interest remaining to be paid on the bonds is $250,066,000. For the current year, principal and interest paid were $8,207,000 and property tax increment revenues were $7,119,000. The tax allocation bonds required 115% of current year's property tax increment revenues.

(4) In 1994, the county issued $337,365,000 in taxable pension obligation bonds. In 2001, the county restructured those bonds with a new issue in the amount of $107,005,000. In April 2003, the county issued $322,710,000 in taxable pension obligation bonds (2003 Series A).

(5) In July 2005, the CCC Fire Protection District issued $129,900,000 in taxable pension obligation bonds (2005 Series). Debt service payments are made from county and CCC Fire Protection District revenues.

(6) Debt service payments are made from special assessment levies on properties in each assessment district. The county administers the assessment and repayment of those bonds. Since early redemption is allowed, there may be differences between the earnings on money received from property owners wishing to pay off their debt early and the interest obligation that accumulates on their debt between the time they submit funds to the county and the next available redemption date,

as stated in the bonds' official statements. The county has historically funded this difference and to that extent may be obligated in some manner for this debt.

Annual principal and interest payments on the special assessment debt are expected to require 75% of revenues. The total principal and interest remaining to be paid on the debt is $18,046,000. For the current year, principal and interest paid were $1,333,000 and revenues were $1,941,000. The special assessment debt required 69% of current year's revenues.

(7) Debt service payments are made from operating revenues.

(8) Debt service payments are made from lease payments by the General Fund, Special Revenue Funds, and County Hospital Enterprise Fund to the Public Financing Authority.

(9) RDA has entered into a global settlement agreement involving four parties to remediate hazardous materials located in Hookston Station, a project in the RDA Capital Projects fund. The estimated cost of the clean up and monitoring is $10,000,000, of which RDA has agreed to pay $2,542,000. During the year, expenditures in the amount of $1,348,000 and an increase of $292,000 were recognized leaving a remaining estimated balance of $694,000 at June 30, 2009.

There are a number of limitations and restrictions contained in the various bond indentures. County management believes that the county is in compliance with all significant limitations and restrictions.

General, special revenue, and internal service funds have been used to liquidate compensated absences and claims payable liabilities within the governmental activities in prior years.

Following is a schedule of debt payment requirements to maturity for governmental activities for long-term obligations, excluding compensated absences, environmental remediation, net OPEB obligation, and claims payable that have indefinite maturities, outstanding at June 30, 2009 (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Pension Obligation Bonds		Other Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 3,803	547	33,430	31,973	405	164
2011	3,060	372	39,410	29,899	360	145
2012	1,715	236	45,990	27,540	385	126
2013	1,009	160	53,795	24,943	405	105
2014	799	107	57,850	21,905	420	82
2015-2019	1,159	173	182,120	76,564	1,285	110
2020-2024	135	5	176,325	19,160		
Total	$ 11,680	1,600	588,920	231,984	3,260	732

Fiscal Year Ending June 30	Lease Revenue Bonds		Retirement Litigation Settlement	
	Principal	Interest	Principal	Interest
2010	$ 9,751	8,246	904	1,856
2011	10,186	7,828	976	1,783
2012	9,621	7,378	1,055	1,705
2013	10,186	6,931	1,139	1,621
2014	10,297	6,451	1,230	1,530
2015-2019	55,346	24,684	7,794	6,006
2020-2024	54,511	11,221	10,099	2,348
2025-2029	16,186	1,561		
Total	$ 176,084	74,300	23,197	16,849

Fiscal Year Ending June 30	Tax Allocation Bonds		Special Assessment Debt		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 2,280	6,712	400	638	52	1
2011	2,340	6,608	411	614		125
2012	2,415	6,500	436	589	68	57
2013	2,530	6,385	602	559	76	49
2014	2,645	6,262	318	531	79	46
2015-2019	15,340	29,180	4,283	1,988	445	181
2020-2024	19,750	24,774	1,380	1,202	542	85
2025-2029	25,440	18,930	1,850	719	122	4
2030-2034	32,820	11,356	1,395	131		
2035-2039	25,320	2,479				
Total	$ 130,880	119,186	11,075	6,971	1,384	548

As of June 30, 2009, annual debt service requirements of business-type activities to maturity, except for compensated absences, medical liability claims payable, landfill post closure liability, and other noncurrent liabilities that have indefinite maturities, are as follows (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Notes Payable		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 144	54	324	928	6,347	6,440
2011	310	45	336	1,113	6,640	6,130
2012	325	29	450	1,009	7,987	5,804
2013	200	14	482	978	8,281	5,407
2014	104	3	510	950	8,682	4,996
2015-2019			4,662	4,055	45,733	18,178
2020-2024			8,667	2,720	38,288	7,832
2025-2029			188	397	12,335	1,200
2030-2034				390		
2035-2039				395		
2040-2044				395		
2045-2049				395		
2050-2054				395		
2055-2059			2,627	79		
Total	$ 1,083	145	18,246	14,199	134,293	55,987

New Bonds Issued

2009A Lease Revenue Bonds – In June 2009, the Public Financing Authority issued $25,062,000 of 2009 Lease Revenue Bonds Series A. The bonds were sold in a private placement with Banc of America. The proceeds are to be used for acquisition, construction, improvement and/or equipping of Central County Employment and Human Services Department (EHSD), EHSD Building, the Martinez Health Clinic, and to pay cost of issuance of $355,000. The bonds carry a 4.48% interest rate and mature serially through fiscal year 2023 – 2024.

Defeased Obligations

The county has defeased certain obligations by placing a portion of the proceeds of new debt issuances in irrevocable trusts to provide for all future debt service payments on the refunded obligations. Accordingly, the trust account assets and the liability of the defeased debt are not included on the financial statements of the county. On June 30, 2009, $79,515,000 in outstanding obligations is considered to be defeased.

Legal Debt Limit

As of June 30, 2009, the county's debt limit (5% of valuation subject to taxation) was $7.991 billion. The total amount of debt applicable to the debt limit was $681 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was $7.310 billion.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years.

The county engages consultants to perform calculations of excess investment earnings on tax-exempt bonds and as of June 30, 2009, does not expect to incur a liability.

12. CONDUIT DEBT

From time to time Multifamily/Single Family Housing Revenue Bonds have been issued in the county's name to provide mortgage loans secured by first trust deeds on newly constructed and existing housing and to provide funds to builders for construction/remodeling of housing projects.

The bonds do not constitute an indebtedness of the county. They are payable solely from payments made on and secured by a pledge of the acquired mortgage loans or housing units and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. The county is not obligated in any manner for repayment of the indebtedness. Accordingly, no liability has been recorded in the basic financial statements.

As of June 30, 2009, the county had participated in the issuance of 37 series of Multifamily or Single Family Housing Revenue Bonds. The aggregate principal amount remaining payable for the bonds issued was $300,660,000.

Not included in the above amount are two defeased issues totaling $46,500,000.

13. NET ASSETS/FUND BALANCES

The government-wide financial statements and proprietary and fiduciary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- *Invested in capital assets, net of related debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted net assets* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net assets* – This category represents net assets of the county, not restricted for any project or other purpose.

In the governmental fund financial statements, reserves segregate portions of fund balance that are either not available for appropriation or are legally restricted by outside parties for use.

As of June 30, 2009, reservations of fund balance are described below:

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Inventories* – to reflect the portion of assets, which do not represent available spendable resources.
- *Advances to other funds* – to reflect the amount due from other funds that are long-term in nature. Such amounts do not represent available spendable resources.
- *Prepaid items and deposits* – to reflect amounts paid in advance by the county for goods not yet received or services not yet performed.
- *Land held for resale* – to reflect investment in land, which does not represent available spendable resources.
- *Program with purpose restrictions* – consists of developer fees collected through the county's Child Care Facilities Ordinance for the purpose of creation or expansion of child care services within the redevelopment project areas and consists of a small landscaping program.

- *Bond proceeds with eligibility restriction* – to account for bond proceeds held in escrow by the trustee for future use on capital projects once certain eligibility requirements are met.
- *Housing projects* – to account for financial resources designated for increasing and improving the supply of housing for persons and families of low or moderate income.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest or as reserves. These funds are not available for general operations.
- *Lease purchases* – to reflect the funds held by trustees or fiscal agents for lease purchases.
- *Permanent fund-expendable portion* – to reflect the fund's accumulated expendable earnings.
- *Permanent fund-nonexpendable portion* – to reflect the fund's principal balance, which is not expendable.

In the governmental fund financial statements Unreserved Fund Balance is divided into designated and undesignated portions. The designated portion represents the Board of Supervisors intended future use of available resources, but are subject to change. The undesignated portion represents resources that are available to meet the needs of the government. The designated portion of the Unreserved Fund Balance consists of the following:

- *Equipment replacement* – to reflect financial resources intended for equipment replacement.
- *Litigation/audit* – to reflect financial resources for potential litigation or audit. This is in addition to the amounts in the internal service funds.
- *CCC Fire Protection District reserve designation* – to reflect the financial resources of the Reserve Policy established by the Board of Supervisors to serve as a prudent management tool in maintaining the long term financial health and stability of the CCC Fire Protection District.
- *General fund capital reserve* – to reflect reserved financial resources by board designation for capital projects.
- *General fund reserve designation* – to reflect the financial resources of the Reserve Policy established by the Board of Supervisors to serve as a prudent management tool in maintaining the long term financial health and stability of the county.

14. PERMANENT FUND

The Permanent Fund accounts for the financial activities and balances of donor-restricted endowments for the county's libraries. Interest income may be used for the establishment and furnishing of children's areas within libraries, literacy programs and the acquisition of books that meet the criteria of the endowments. In accordance with the terms of the endowments and the California Government Code Section 25355, only the interest income may be used; any unused income may be used in a subsequent year. The amount available for spending, $20,000, at June 30, 2009, is shown on the Statement of Net Assets as Net Assets Restricted for Permanent Fund – expendable portion.

15. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The CCCERA is a cost-sharing multiple-employer defined benefit pension plan (the plan) governed by the County Employees' Retirement Law of 1937 (the 1937 Act). The plan covers substantially all of the employees of the county, its special districts, the Housing Authority and sixteen other member agencies. The plan issues stand-alone financial statements which can be directly obtained from its office, as indicated in Note 1A.

The plan provides for retirement, disability, death and survivor benefits, in accordance with the 1937 Act. Annual cost-of-living adjustments to retirement benefits can be granted by the Retirement Board as provided by state statutes.

The plan is currently divided into seven benefit sections in accordance with the 1937 Act. These sections are known as General Tier I, Tier II, Tier III enhanced; Safety Tier A, Tier C and Contra Costa County Fire Protection District Safety and Tier 1. On October 1, 2002, the Contra Costa County Board of Supervisors adopted Resolution No. 2002/608, which provides enhanced benefit changes commonly known as 3% at 50 for Safety members and 2% at 55 for general members, effective July 1, 2002, and January 1, 2003, respectively.

Effective January 1, 2007, Contra Costa County and the Deputy Sheriff's Association agreed to adopt a new Safety Tier C for sworn employees hired by the county after December 31, 2006. A Deputy Sheriff hired on or after this date will have a 3% at 50 benefit formula with a 2% maximum COLA and a 36 month final average salary period.

Legislation was signed by the Governor in 2002 which allowed Contra Costa County, effective October 1, 2002, to provide Tier III to all new employees, to move those previously in Tier II to Tier III as of that date, and to apply all future service as Tier III. Tier III was originally created October 1, 1998, and made available to all members with five or more years of Tier II service who elected to transfer to Tier III coverage.

Tier I includes members not mandated to be in Tier II or Tier III and reciprocal members who elect Tier I membership. County employees who were moved to Tier III effective October 1, 2002, continue to have Tier II benefits for service prior to that date unless the service is converted to Tier III.

Safety includes members in active law enforcement, active fire suppression work or certain other "Safety" classifications as designated by the Retirement Board.

Service retirement benefits are based on age, length of service and final average salary in accordance with the California Government Code Section 31462 and 31462.1. For the Tiers I, III and Safety Tier A sections, the retirement benefit is based on a one-year average salary. For Tier II and Safety Tier C, the benefit is based on a three-year average salary.

B. Funding Policy

Pursuant to provisions of the County Employees' Retirement Law of 1937, the Retirement Board recommends the annual contribution rates for adoption by the Board of Supervisors. New contribution rates, based on the actuarial study as of December 31, 2006, became effective July 1, 2008. The contribution requirements are determined as a percentage of payroll.

The employer rates were calculated on the alternate funding method permitted by the California Government Code Section 31453.5. The "entry age normal funding" method is used to calculate the rate required to provide all the benefits promised to a new member.

On March 25, 2009, the Retirement Board decided to leave the unfunded liability (UAAL) derived from periods on or before the December 31, 2007, valuation date to be amortized on a level percent closed basis over 14 years on a declining basis.

Subsequent UAAL's, starting with December 31, 2008, will be amortized in multiple layers (each year will constitute a new layer) with each year's gains/losses amortized over a separate 18 year period on a declining basis.

Active plan members are required to contribute an actuarially determined percentage of their annual covered salary. The required percentage rates vary according to the benefit section and entry age of the employee. The rates in effect during fiscal year 2008-2009 (based on covered payroll as of January 1, 2007) ranged from 4.63% to 17.81% of the employees' annual covered salary.

The county employer rates of contribution, calculated as a percentage of the county's covered payroll as determined in an actuary report as of December 31, 2006, for fiscal year 2008-2009 were:

	Enhanced
General Members, Tier I	27.52 %
General Members, Tier II	N/A
General Members, Tier III	25.95
Safety Members, Tier A	50.03
Safety Members, Tier C	43.33
CCC Fire Protection District - Safety	29.46
CCC Fire Protection District - Tier I	19.71

The county's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 2009, were as follows (in thousands):

Annual required contribution (county fiscal year basis)	$	169,348
Interest on beginning pension asset		(43,470)
Adjustment to the annual required contribution		102,191
Annual pension cost		228,069
Contributions made (including Retirement Litigation Settlement)		169,348
Increase (Decrease) in pension asset		(58,721)
Net pension asset, beginning of year		531,741
Net pension asset, end of year	$	473,020

The following table shows the county's annual pension cost (APC) and the percentage contributed for the fiscal year 2008-2009 and each of the two preceding fiscal years (in thousands):

Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2007	$192,412	78.76 %	$580,854
2008	209,223	76.53	531,741
2009	228,069	74.25	473,020

The county has made its annual required contribution (ARC) for each of the past three years. The difference between the ARC and the APC is due to the amortization of the Net Pension Asset.

CCCERA's funded status based on the most recent actuarial valuation performed by The Segal Company as of December 31, 2007, is as follows:

SCHEDULE OF FUNDED STATUS
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/07	$ 5,016,137	$ 5,581,048	$ 564,911	89.9%	$ 671,618	84.1%

16. OTHER POSTEMPLOYMENT HEALTHCARE PLAN

A. Plan Description

The county is the plan sponsor and administers a single-employer defined benefit healthcare plan. The plan provides postemployment medical and dental insurance benefits to eligible retired employees and their dependents (County of Contra Costa Post Retirement Health Benefit Plan). Benefit provisions are established and may be amended through negotiations between the county and the respective bargaining units. See Note 19 Commitments and Contingencies – B. Health Insurance.

The county contracts with Kaiser Permanente, Health Net, Contra Costa Health Plans, and the California Public Employees' Retirement System (CalPERS) to provide medical benefits and Delta Dental and PMI Deltacare for dental benefits.

In calendar year 2008, the Contra Costa County Board of Supervisors adopted for both safety and non-safety unrepresented employees, and appointed and elected officials, and for persons who retired from classifications that were unrepresented at the time of retirement, appointed, or elected, the following changes:

- Beginning on January 1, 2010, the county health care premium subsidy including CalPERS is set at the calendar year 2009 dollar amount.
- Beginning on January 1, 2010, the county dental care premium subsidy including CalPERS is set at the calendar year 2009 amount.
- After December 31, 2008, employees and retirees, and dependents of employees and retirees, can no longer have dual coverage in two county/district health or dental plans, including CalPERS plans. This provision will apply to county and district employees and retirees who have spouses or partners who are either county or district employees or who retired either from the county or from a Board governed special district such as the Contra Costa Fire Protection District.
- Individuals who become 65 on or after January 1, 2009 are required to enroll in Medicare Parts A and B.
- A new health care tier was established for employees hired, appointed, or elected after December 31, 2008.

B. Eligibility

County retirees are eligible for membership in the plans upon retirement from the county (drawing a pension from CCCERA or CalPERS). Members in deferred retirement status may maintain membership in county health plans at their own cost and become eligible for coverage as a retiree upon commencement of their pension.

	Primary Government	Blended Component Unit: Housing Authority	Discrete Component Unit: First 5 Contra Costa Children and Families Commission
Active plan members	8,549	98	19
Retirees and beneficiaries receiving benefits	5,813	56	
Terminated plan members entitled to, but not yet receiving benefits	11		1

C. County Funding Policy

The contribution requirements of program members and the county are established and may be amended through negotiations between the county and the respective bargaining units. For the fiscal year ended June 30, 2009, the funding was based on the "pay-go" basis plus a contribution of $20 million to the Contra Costa County Other Postemployment Benefits Irrevocable Trust Fund. For fiscal year ended June 30, 2009, the county paid $37.5 million as the "pay-go" cost (approximately 86.7% of total premiums). Plan members receiving benefits contributed $5.8 million, or approximately 13.3% of the total premiums, through their required contribution. The contributions for fiscal year ended June 30, 2009, were as follows (in thousands):

	Active Employees	Retirees	Total
Total blended premiums at $7,451 per plan member	$ 0	43,312	43,312
Employer pre-funding contributions		20,038	20,038
Less: member contributions	0	(5,768)	(5,768)
Total Employer Contributions	$ 0	57,582	57,582

D. Annual OPEB Cost and Net OPEB Obligation

The county's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The county charges current costs of these benefits to the employee's department. The county has determined that the future liability is an obligation of the general government. The county records the accrued liability and expense in the general government classification of the Government-Wide Statement of Net Assets and Statement of Activities. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the county's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the county's net OPEB obligation (dollar amounts in thousands):

	Primary Government	Blended Component Unit Housing Authority	Discrete Component Unit First 5 Contra Costa Children and Families Commission
Annual required contribution	$ 138,892	861	89
Interest on net OPEB obligation	10,043	13	2
Adjustment to annual required contribution	0	25	(2)
Annual OPEB cost (expense)	148,935	899	89
Contributions made	(57,582)	(212)	0
Increase in net OPEB obligation	91,353	687	89
Net OPEB obligation, beginning of year	158,909	281	31
Net OPEB obligation, end of year	$ 250,262	968	120

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2009, and the preceding fiscal year, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/09	$ 148,935	38.7 %	$ 250,262
06/30/08	194,980	18.5	158,909

Refer to the Required Supplemental Information for the schedule of funding progress.

E. Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $1.879 billion of which $20,038,000 is funded. The covered payroll (annual payroll of active employees covered by the plan) was $625,273,000, and the ratio of the unfunded accrued actuarial liability (UAAL) to the covered payroll was 297.31%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are

designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.32% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the county's own investments and an annual healthcare cost trend rate of 10% initially, reduced by 1% decrements to an ultimate rate of 5% after five years. Both rates included a 3.5% inflation assumption. The UAAL is being amortized as a level dollar amount over 30 years on a closed basis. The remaining amortization period is twenty-eight years.

The county began pre-funding benefits in fiscal year ended June 30, 2008. Funding was increased to $20 million in fiscal year ending June 30, 2009. The county will pre-fund an additional $20 million in fiscal year ending June 30, 2010. CCCERA personnel are employees of the county. Their OPEB obligation is included with the county's data.

G. Blended and Discretely Presented Component Units

Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa is a blended component unit. Its personnel are covered by a separate OPEB plan administered by the Housing Authority. Housing Authority's annual OPEB cost and net OPEB obligation for the fiscal year ended March 31, 2009, and the preceding fiscal year, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
03/31/09	$ 899	23.6 %	$ 968
03/31/08	1,305	78.5	281

The Housing Authority issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by submitting a request in writing to the following address:

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

First 5 Contra Costa Children and Families Commission

First 5 Contra Costa Children and Families Commission is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by First 5 Contra Costa Children and Families Commission. First 5 Contra Costa Children and Families Commission's annual OPEB cost and net OPEB obligation for the fiscal year ended June 30, 2009, and the preceding year, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/09	$ 89	0.0 %	$ 120
06/30/08	31	0.0	31

First 5 Contra Costa Children and Families Commission issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by submitting a request in writing to the following address:

First 5 Contra Costa Children and Families Commission
1485 Enea Court, Suite 1200, Concord, CA 94520

17. PATIENT SERVICE REVENUE AND RECEIVABLES

The County Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Charges for services are reported at estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, or investigations.

Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The County Hospital's Medicare and Medi-Cal cost reports have been audited by the fiscal intermediary through June 30, 2002, and June 30, 2006, respectively. As such, the cost reports for the prior year are still under review by fiscal intermediaries and have not been settled due to certain unresolved reimbursement issues. The county believes it has adequately provided for any liabilities that may arise from the fiscal intermediaries' audits.

Net receivables from patients and third-party payers at June 30, 2009, are summarized as follows (in thousands):

Medicare	$	4,962
Medi-Cal		33,923
Private insurance		2,578
Total Net Patient Receivables	$	41,463

The net receivables from patients and third party payers exclude an allowance for uncollectible non-patient receivables of approximately $10,351,000.

18. RISK MANAGEMENT

The county self-insures its unemployment, dental and management long-term disability.

The county maintains a separate insurance policy to cover the Sheriff-Coroner's two helicopters up to $50,000,000 for liability arising from the helicopters' use.

The county maintains up to $600,000,000 "All Risk" insurance coverage subject to a $50,000 deductible to cover its property, except for loss caused by earthquake or flood. Loss caused by earthquake is insured to $240,000,000 on a shared aggregate and is subject to a minimum 5% deductible per location

with a minimum $100,000 basis and maximum $500,000 deductible. Loss caused by flood is insured to $600,000,000 on a shared aggregate and is subject to a minimum 2% deductible per location with a $100,000 minimum and $500,000 maximum per occurrence deductible. The county has $100,000,000 boiler and machinery coverage with a $5,000 deductible.

The county is exposed to various risk of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The county currently reports its risk management activities in its Workers' Compensation Insurance, Long-Term Disability Trust, Employee Benefits Trust, and Personal Injury and Property Damage Funds (Internal Service Funds).

The county is self-insured for most insurable risk, except for excess insurance coverage provided by commercial insurance and reinsurance companies that are limited to the following:

- Airports hangar keepers liability and property damage coverage is limited to a maximum of $100 million with no deductible.
- Property insurance - all risk in excess of $50,000 per incident, but limited to $600 million.
- Property insurance - flood damage in excess of 2% per unit, $100,000 minimum and $500,000 maximum deductible per incident, but limited to $600 million shared aggregate.
- Property insurance - earthquake in excess of 5% per unit, $100,000 minimum and $500,000 maximum deductible, but limited to a maximum of $240 million shared aggregate.
- Property insurance - terrorism limited to $200 million with a $500,000 deductible.
- Crime bond coverage in excess of $50,000 per incident, but limited to a maximum of $10 million for fidelity coverage and $250,000 forgery coverage with a $2,500 deductible.
- General and auto liability in excess of $1 million per incident, but limited to a maximum of $50 million.
- Workers' Compensation in excess of $750,000 per incident, but limited to a maximum of $50 million; coverage provided by CSAC-EIA (California State Association of Counties Excess Insurance Pooling Fund).
- Medical malpractice in excess of $500,000 per incident, limited to $11.5 million.
- Watercraft in excess of $1,000 per incident, limited to a maximum of $1 million.
- Sheriff's helicopters limited to $50 million per incident.
- Boiler and machinery limited to $100 million with a $5,000 deductible.

During the past five years there have been no instances of the amount of claim settlements exceeding insurance coverage.

Internal service funds are used to account for the county's self-insurance activities. The county's policy is to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims. Charges to operating funds are recorded as

expenditures/expenses of such funds and revenues of the internal service funds. Accrual and payment of claims are recorded in the internal service funds.

The county has accrued a liability of $117,985,000 at June 30, 2009, for all self-insured claims in the internal service funds, which includes an amount for incurred, but not reported, claims. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. In the opinion of the county, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

Changes to the internal service funds' claims liability amount, including medical liability claims payable, for fiscal years 2007-2008 and 2008-2009 are as follows (in thousands):

Liability at June 30, 2007	$ 115,849
FY 2007-2008 claims and changes in estimates	18,150
FY 2007-2008 claim payments	(26,846)
Liability at June 30, 2008	107,153
FY 2008-2009 claims and changes in estimates	60,181
FY 2008-2009 claim payments	(49,349)
Liability at June 30, 2009	$ 117,985

The actuarially determined claims liabilities, including incurred but not reported claims, are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

19. COMMITMENTS AND CONTINGENCIES

A. Grants

The county participates in a number of federal and state grant programs which are subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs through June 30, 2009, have not yet been conducted. Accordingly, the county's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The county believes that such disallowances, if any, would not have a material effect on the basic financial statements.

B. Health Insurance

Health care benefits for active and retired employees are jointly financed by the beneficiaries and by the county. Most employees have a choice of participation in five medical plans: Kaiser Permanente, a private health maintenance organization (HMO); Health Net (HMO); Health Net, a preferred provider organization (PPO); and the Contra Costa Health Plans (CCHP) A and B, operated by the county Health Services Department. Employees represented by either the Deputy Sheriffs' Association (DSA), District Attorney Investigators' Association (DAIA), or United Professional Fire Fighters' IAFF Local 1230, United Chief Officers Association, East Contra Costa Fire Fighters, and Unrepresented Fire Managers are eligible

to participate in medical plans administered by the California Public Employees' Retirement System (CalPERS).

For non-CalPERS administered medical plans, the county subvents 80.0% of Kaiser Permanente, 80.0% of Health Net (HMO), 58.0% of Health Net (PPO) and 98.0% of CCHP A and 90.0% of CCHP B premiums for plan members. The county subvention for CalPERS administered plans is a flat rate depending on the employees' union representation and the number of dependents covered under the plans. All permanent employees have a choice of two dental plans as follows: a county self-funded plan administered by Delta Dental and a PMI Delta Care Plan. The county's self-funded plan is an indemnity program and the PMI Delta Care plan is a prepaid program.

The county's contribution to health and dental plans during fiscal year 2008-2009 for active employees was $92,818,000. The county's liability for health care benefits is limited to its annual contribution.

C. Special Assessment Debt

The county is considered to be "obligated in some manner," as defined by GASB Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for its special assessment debt. The county is obligated to foreclose on properties for which owners have failed to pay assessment installments as they fall due and the county may honor deficiencies to the extent that lien foreclosure proceeds are insufficient. The county's obligation to advance monies to pay debt service in the event of delinquent assessment installments is limited to the amount of remaining original bond proceeds and installments received. Special assessment debt is included in the county's statement of net assets and special assessment transactions are included in the Assessment Districts Debt Service Fund. Debt service payments are made from special assessments of the related special assessment district.

D. Construction Commitments

The county had entered into contracts for the construction of certain projects. At June 30, 2009, there were outstanding commitments of $2,836,000 for State Route 4 Bypass Project, $6,797,000 for Iron Horse Corridor Overcrossing, $10,152,000 for the Bethel Island Bridge, $1,390,000 for miscellaneous capital projects.

E. Pending Legal Matters

Numerous lawsuits are pending or threatened against the county. The county has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2009.

20. SUBSEQUENT EVENTS

A. Defeasance of 2007 Tax Allocation Bonds

At the time the 2007 Tax Allocation Bonds, Series A, A-T, and B (Bonds) were issued, $7,850,000 was placed into escrow for the benefit of the North Richmond Project Area under the Indenture of Trust with U.S. Bank National Association, dated as of May 1, 2007 (Indenture). The escrowed proceeds were to be

released by August 1, 2009 upon completion of an amendment to the North Richmond Project Area Plan that increased the debt limit and upon meeting other conditions relating to debt capacity. On June 11, 2009, the RDA requested $3,000,000 of the escrowed proceeds to be released, as this is the amount of proceeds eligible to the North Richmond Project Area based on the conditions of the Indenture. On August 3, 2009, the remaining escrowed proceeds held by the escrow agent were used to defease $4,850,000 of the Bonds.

B. State of California Fiscal Crisis

The state of California (state) has decided to borrow, to defer certain revenue payments and to take certain funds from local governments including the county. The amounts are very significant to the county and are as follows:

- 8% of Property Taxes $38,240,000
- RDA $6,300,000

Property Taxes borrowed by the state for fiscal year 2009 – 2010 were nearly $2 billion statewide to help the state's budget shortfall. Legislators and the Governor promised to allow local agencies to sell their eventual repayment from the state to investors to cover the property taxes and to pay the full cost of the sale, or securitization. Passage of Senate Bill 67 (SB 67) was accomplished on October 14, 2009. A future bond sale is necessary to complete the funding or securitization. The county has planned to use these funds in the 2009 – 2010 budget. Any delay in funding may mean that the county will have no choice but to adopt mid-year service reductions, layoffs and other measures to manage significant cash flow shortfalls that will occur. However, funding is expected to occur on the same days as the shifts of property tax to the state.

The State Legislature passed Assembly Bill (AB) 26 4x, which requires redevelopment agencies statewide to deposit a total of $2.05 billion of property tax increment in county "Supplemental" Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the state's Proposition 98 obligations to schools. The RDA's share of this revenue shift is approximately $6.3 million in fiscal year 2009 – 2010 and $1.3 million in fiscal year 2010 – 2011. Payments are to be made by May 10 of each respective fiscal year. In response to AB 26 4x, the RDA has reprogrammed funds from previously funded initiatives in order to make the required payments.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)

COUNTY OF CONTRA COSTA
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
CURRENT YEAR AND ONE YEAR AGO
(In Thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
	Primary Government						
2009	Jan. 1, 2008	$ 20,038	$ 1,879,031	$ 1,858,993	1.07 %	$ 625,273	297.31 %
2008	Jan. 1, 2008	0	2,367,023	2,367,023	0.00	609,856	388.13
	Housing Authority						
2009	Apr. 1, 2008	0	8,237	8,237	0.00	5,345	154.10
2008	Jan. 1, 2006	0	16,457	16,457	0.00	5,279	311.74
	First 5 Contra Costa Children and Families Commission						
2009	July 1, 2008	0	359	359	0.00	1,183	30.35
2008	Jan. 1, 2008	0	251	251	0.00	1,059	23.70

SCHEDULE OF FUNDING PROGRESS
EMPLOYEES' RETIREMENT PLAN
CURRENT YEAR AND TWO YEARS AGO
(In Thousands)

Calendar Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2008	Dec. 31, 2007	$ 5,016,137	$ 5,581,048	$ 564,911	89.90 %	$ 671,618	84.00 %
2007	Dec. 31, 2006	4,460,871	5,293,977	833,106	84.00	653,953	127.00
2006	Dec. 31, 2005	4,062,057	4,792,428	730,371	85.00	627,546	116.00

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 320,128	312,486	314,074	1,588
Licenses, permits and franchise fees	15,415	15,418	14,041	(1,377)
Fines, forfeitures and penalties	14,411	14,690	14,538	(152)
Use of money and property	6,281	6,343	7,848	1,505
Intergovernmental	604,216	597,755	552,511	(45,244)
Charges for services	193,907	211,226	221,026	9,800
Other revenue	96,526	108,358	97,203	(11,155)
Total revenues	1,250,884	1,266,276	1,221,241	(45,035)
Expenditures:				
Current:				
General government:				
Administrator	4,350	4,705	3,965	740
Assessment Litigation Services		2,704	2,704	
Assessor	16,625	16,342	15,653	689
Auditor-Controller	7,971	8,008	7,557	451
Board Mitigation Programs	2,600	2,600	994	1,606
Board of Supervisors	5,173	5,164	4,720	444
Building Maintenance	32,675	39,382	38,572	810
Building Occupancy Cost	12,921	13,404	13,348	56
Central Service/Microfilm	516	564	558	6
Clerk of the Board	595	608	608	
Community Access Television	2,885	2,354	765	1,589
County Counsel	5,350	5,397	4,904	493
Crockett-Rodeo Revenues	640	640	447	193
Economic Development	56	77	63	14
Elections	10,533	10,372	9,607	765
Employee Benefits	4,244	4,244	2,650	1,594
Fleet Services	896	1,147	233	914
General Services Administration		630	630	
General Services Outside Agency Service	507	1,479	1,479	
Human Resources	8,749	8,706	7,356	1,350
Information Technology	3,523	3,523	3,417	106
Insurance	12,311	12,208	10,647	1,561
Keller Canyon Mitigation	1,704	1,704	1,395	309
Management Information Systems	1,401	1,390	1,180	210
Personnel Merit Board	88	87	53	34
Plant Acquisition	13,432	19,944	5,498	14,446
Purchasing	989	981	916	65
Revenue Collections	2,928	2,914	2,899	15
Telecommunications	2,943	3,553	3,533	20
Treasurer-Tax Collector	5,342	5,308	4,971	337
UAAL Pension Bond Debt Service Transfer	(4,535)	(4,535)	(4,535)	
Total general government	157,412	175,604	146,787	28,817

(continued)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public protection:				
Agriculture	5,247	5,253	5,179	74
Animal Services	10,448	10,382	9,769	613
Community Development	10,799	10,792	10,620	172
Conflict Defense Services	2,675	4,270	4,270	
Coroner	2,832	2,929	2,929	
Criminal Grand Jury	50	77	77	
District Attorney	29,006	29,597	29,565	32
Emergency Services	7,948	12,514	9,655	2,859
Flood Control	585	832	832	
Grand Jury	147	154	153	1
Jail	76,940	74,833	70,775	4,058
Jail - Health Services	17,340	17,402	17,364	38
Law and Justice Systems	423	2,110	2,070	40
Local Agency Information	180	180	180	
Probation - Programs	28,264	27,229	27,177	52
Probation - Facilities	28,051	26,982	26,116	866
Probation - Care of Court Wards	7,095	7,095	6,719	376
Public Administrator	313	313	300	13
Public Defender	19,416	19,318	18,713	605
Recorder	3,876	3,694	3,297	397
Sheriff	103,140	105,312	100,599	4,713
Trial Court Programs	20,150	20,116	18,535	1,581
Vehicle Theft Programs	1,607	1,607	1,048	559
UAAL Pension Bond Debt Service Transfer	(20,604)	(20,604)	(20,604)	
Total public protection	355,928	362,387	345,338	17,049
Health and sanitation:				
Children's Services	8,793	7,951	7,950	1
Conservator/Guardianship	2,149	2,629	2,629	
Environmental Health	16,799	16,714	16,693	21
Health Services Homeless Program	3,270	3,991	3,991	
Mental Health	114,378	129,399	129,399	
Public Health	40,255	39,593	39,552	41
Solid Waste Management	396	396	361	35
Substance Abuse	15,974	15,904	15,904	
UAAL Pension Bond Debt Service Transfer	(5,251)	(5,251)	(5,251)	
Total health and sanitation	196,763	211,326	211,228	98

(continued)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance:				
Ann Adler Child & Family	92	75	75	
ARRA-HPRP/CDBG R Grants		36	36	
Community Development	12,203	12,206	8,514	3,692
Community Services	33,938	33,090	32,724	366
Housing Rehabilitation	851	851	678	173
EHSD - Administration	2,297	4,723	4,689	34
EHSD - Child & Family	129,344	107,506	107,506	
EHSD - Aging & Adult	95,052	106,503	106,503	
EHSD - Workforce Services	126,243	126,477	126,477	
EHSD - WFRC Investment Board	6,086	8,411	8,411	
Services Integration	992	131	131	
Veterans Services	748	737	716	21
Zero Tolerance Domestic Violence Initiative	2,073	2,437	2,436	1
UAAL Pension Bond Debt Service Transfer	(8,237)	(8,237)	(8,237)	
Total public assistance	401,682	394,946	390,659	4,287
Education:				
Cooperative Extension Services	337	346	333	13
UAAL Pension Bond Debt Service Transfer	(12)	(12)	(12)	
Total education	325	334	321	13
Public ways and facilities:				
Public Works	37,772	38,465	38,410	55
Road Construction	22,264	22,264	18,125	4,139
UAAL Pension Bond Debt Service Transfer	(1,687)	(1,687)	(1,687)	
Total public ways and facilities	58,349	59,042	54,848	4,194
Recreation and culture:				
Park Administration	43	43		43
Total recreation and culture	43	43		43
Debt service:				
Principal	98	98	98	
Interest	100	2,374	2,274	100
Total expenditures	1,170,700	1,206,154	1,151,553	54,601
Excess of revenues over expenditures	80,184	60,122	69,688	9,566
Other Financing Sources (Uses):				
Transfers in	2,366	7,006	19,106	12,100
Transfers out	(107,713)	(105,412)	(106,313)	(901)
Capital lease financing			2,629	2,629
Total other financing sources (uses)	(105,347)	(98,406)	(84,578)	13,828
Net change in fund balances	(25,163)	(38,284)	(14,890)	23,394
Fund Balance at Beginning of Year	145,614	145,614	145,614	
Fund Balance at End of Year	$ 120,451	107,330	130,724	23,394

(concluded)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CCC FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 92,960	89,485	87,744	(1,741)
Licenses, permits, and franchise fees	106	106	240	134
Use of money and property	522	522	158	(364)
Intergovernmental	4,844	4,819	4,987	168
Charges for services	4,234	5,164	5,197	33
Other revenue	100	251	735	484
Total revenues	102,766	100,347	99,061	(1,286)
Expenditures:				
Current:				
Public protection				
Salaries and benefits	80,774	80,348	72,659	7,689
Services and supplies	14,237	13,114	7,942	5,172
Other charges	3,028	3,078	2,857	221
Fixed assets	8,234	9,780	3,088	6,692
Expenditure transfers	9,342	9,366	9,365	1
Total expenditures	115,615	115,686	95,911	19,775
Excess (deficiency) of revenues over (under) expenditures	(12,849)	(15,339)	3,150	18,489
Other Financing Sources:				
Transfers in	150	650	956	306
Total other financing sources	150	650	956	306
Net change in fund balance	(12,699)	(14,689)	4,106	18,795
Fund Balance at Beginning of the Year	24,550	24,550	24,550	
Fund Balance at End of Year	$ 11,851	9,861	28,656	18,795

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LAND DEVELOPMENT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Licenses, permits and franchise fees	$ 16,982	16,982	10,286	(6,696)
Use of money and property	1,828	1,828	643	(1,185)
Intergovernmental	19	1,213	104	(1,109)
Charges for services	14,494	14,494	12,114	(2,380)
Other revenue	7,240	7,240	4,988	(2,252)
Total revenues	40,563	41,757	28,135	(13,622)
Expenditures:				
Public protection				
Salaries and benefits	13,556	13,539	12,633	906
Services and supplies	16,916	16,497	3,125	13,372
Other charges	1,722	1,743	1,264	479
Fixed assets	18,470	18,231	139	18,092
Expenditure transfers	8,361	9,015	8,584	431
Total public protection	59,025	59,025	25,745	33,280
Public assistance				
Services and supplies		1,052	17	1,035
Expenditure transfers		142	85	57
Total public assistance		1,194	102	1,092
Public ways and facilities				
Services and supplies	1,106	1,106	333	773
Other charges	221	721	627	94
Expenditure transfers	9,891	9,391	7,092	2,299
Total public ways and facilities	11,218	11,218	8,052	3,166
Debt service:				
Interest	44	44	44	
Total expenditures	70,287	71,481	33,943	37,538
Deficiency of revenues under expenditures	(29,724)	(29,724)	(5,808)	23,916
Other Financing Uses:				
Transfers out	(618)	(618)	(1,001)	(383)
Total other financing (uses)	(618)	(618)	(1,001)	(383)
Net change in fund balance	(30,342)	(30,342)	(6,809)	23,533
Fund Balance at Beginning of Year	31,408	31,408	31,408	
Fund Balance at End of Year	$ 1,066	1,066	24,599	23,533

BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the provisions of the California Government Code Sections 29000-29145 and other statutory provisions, commonly known as the County Budget Act, the Board of Supervisors legally adopts a budget for each fiscal year. Budgets are adopted on the modified accrual basis. Prior to June 30 the County Administrator develops, recommends and the Board of Supervisors adopts a proposed budget for the next fiscal year. This is based on preliminary data because the county's books have not yet been closed, ending fund balances have not been established, and the state has not yet adopted its budget. Later, after a series of public hearings the Board of Supervisors adopts a formal budget on or before October 2. This budget establishes the maximum authorized expenditures for the fiscal year that cannot be exceeded except by subsequent amendments to the budget by the Board of Supervisors and is reported in the budgetary comparison schedule as the "Original Budget."

Supplemental appropriations, which are normally financed by unanticipated revenues during the year, and any amendments or transfers of appropriations between summary accounts or departments must be approved by the Board of Supervisors. Pursuant to a Board of Supervisors Resolution, the County Administrator is authorized to approve transfers of appropriations among summary accounts within a department as deemed necessary and appropriate. Accordingly, the legal level of budgetary control by the Board of Supervisors is at the department level. Budgeted amounts amended during the fiscal year by the County Administrator and, when necessary, by resolution of the Board of Supervisors are reported in the budgetary comparison schedule as the "Final Budget."

The objective of the county's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. No department is permitted to spend and/or encumber more than its available appropriations. Increases in budget appropriations must be approved by the Board of Supervisors as a transfer from the Reserve for Contingencies, as a transfer from another appropriation, or as an appropriation of new or unanticipated revenue. Using the county's automated accounting system, staff of the Auditor-Controller monitors the expenditures of each department to ensure that the departments don't exceed the amounts appropriated by the Board of Supervisors for the year. The county uses an encumbrance system as an extension of normal budgetary accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities and are re-established, along with their encumbered appropriations as part of the following year's budget. Any appropriations remaining in the departments at the end of the fiscal year automatically lapse and are transferred to fund balance. The year-end fund balance, along with projected revenues, becomes available for appropriation the following year.

The amounts reported as expenditures by department include amounts charged each department to service the pension obligation bond debt and the liability for the Retirement Litigation Settlement because the budget includes these amounts as expenditures. "UAAL Pension Bond Debt Service Transfer" and "Retirement Litigation Settlement Transfer" are reporting adjustments made at the function level to achieve agreement with the financial statements where these expenditures are reported as transfers in accordance with GASB.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
Assets:					
Cash and investments	$ 231,212	12,854	22,995	98	267,159
Accounts receivable and accrued revenue	47,794	6,616	755		55,165
Due from other funds	3,938	1,989	764		6,691
Advances to other funds	7,468				7,468
Notes receivable	11,501		22		11,523
Prepaid items and deposits	950				950
Land held for resale	2,645		4,762		7,407
Restricted cash and investments	13,389	31,679	44,676	1,729	91,473
Total assets	$ 318,897	53,138	73,974	1,827	447,836
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 10,928	3,085	294		14,307
Due to other funds	39,089	13,225	3,781	78	56,173
Advances from other funds	6,030	106	1,332		7,468
Deferred revenue	14,122		22		14,144
Total liabilities	70,169	16,416	5,429	78	92,092
Fund Balances:					
Reserved for:					
Encumbrances	7,473		16,461		23,934
Advances to other funds	7,468				7,468
Prepaid items and deposits	950				950
Land held for resale	2,645		4,762		7,407
Programs with purpose restrictions			644		644
Bond proceeds with eligibility restrictions	9,559		33,149		42,708
Housing projects	320				320
Debt service		36,722			36,722
Permanent fund-expendable portion				20	20
Permanent fund-nonexpendable portion				1,729	1,729
Unreserved, designated for:					
Equipment replacement	6,315				6,315
Unreserved, undesignated, reported in:					
Special revenue funds	213,998				213,998
Capital projects funds			13,529		13,529
Total fund balances	248,728	36,722	68,545	1,749	355,744
Total liabilities and fund balances	$ 318,897	53,138	73,974	1,827	447,836

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
Revenues:					
Taxes	$ 76,150	20,737	6,719		103,606
Licenses, permits and franchise fees	918				918
Fines, forfeitures and penalties	5,066				5,066
Use of money and property	4,839	24,798	1,267	57	30,961
Intergovernmental	80,544		4,012		84,556
Charges for services	41,356				41,356
Other revenue	19,392	11,112	23,865		54,369
Total revenues	228,265	56,647	35,863	57	320,832
Expenditures:					
Current:					
General government	3,842	22,611			26,453
Public protection	93,422				93,422
Health and sanitation	7,780				7,780
Public assistance	32,538	11,706	24,547		68,791
Education	26,940				26,940
Public ways and facilities	54,457		3,795		58,252
Recreation and culture	1,553				1,553
Debt service:					
Principal		42,940			42,940
Interest	1,011	57,743	27		58,781
Debt issuance cost		326			326
Total expenditures	221,543	135,326	28,369		385,238
Excess (deficiency) of revenues over (under) expenditures	6,722	(78,679)	7,494	57	(64,406)
Other Financing Sources (Uses):					
Transfers in	1,418	61,970	749		64,137
Transfers out	(23,021)	(996)	(7,049)	(78)	(31,144)
Issuance of debt		23,121			23,121
Total other financing sources (uses)	(21,603)	84,095	(6,300)	(78)	56,114
Net change in fund balances	(14,881)	5,416	1,194	(21)	(8,292)
Fund Balances at Beginning of Year	263,609	31,306	67,351	1,770	364,036
Fund Balances at End of Year	$ 248,728	36,722	68,545	1,749	355,744

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Special Revenue Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Nonmajor special revenue funds used by the county are listed below:

ROAD FUND

This fund is used to account for maintenance and construction of roadways. Revenues consist primarily of the county's share of state highway user taxes and are supplemented by federal funds.

LIBRARY FUND

This fund is used to account for library services for all areas of the county except the city of Richmond. Property taxes provide most of the fund's revenues.

OTHER FIRE PROTECTION FUND

This fund is used to account for the East Contra Costa County and Crockett-Carquinez Fire Protection Districts fire protection services in the county. The fund is financed primarily by property taxes.

HEALTH AND SANITATION FUND

This fund is used to account for a variety of health and sanitation services. The fund is financed by state grants, the county's share of the tobacco tax and user fees.

SERVICE AREAS FUND

This fund is used to account for the provision of services such as lighting, park, or street maintenance by special districts to specific areas in the county. The fund is financed by property taxes and user charges.

FLOOD CONTROL FUND

This fund is used to account for the provision of services by special districts to control flood and storm waters. Revenues are primarily received from property taxes and federal grants.

LAW ENFORCEMENT FUND

This fund is used to account for a variety of law enforcement services financed by property taxes, narcotics seizures and court fines and fees.

COURTS AND CRIMINAL JUSTICE FUND

This fund is used to account for the improvement of courthouse and criminal justice facilities and related automated information systems. Revenues are derived from court fines and fees.

RECORDER/CLERK MODERNIZATION FUND

This fund is used to account for automation of civil and small claims functions of the courts and for micrographics and modernization of the Recorder's Office. Revenues received are from filing and recording fees.

REDEVELOPMENT AGENCY (RDA) FUND

This fund is used to account for the financial resources designated for the improvement of targeted low to moderate income housing areas and the elimination of blight.

CHILD DEVELOPMENT FUND

This fund is used to account for the financial resources designated for the county's child development programs.

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (IHSS) FUND

This fund is used to account for services to both providers and recipients of in-home care delivered through the In-Home Supportive Services program.

OTHER SPECIAL REVENUE FUND

This fund is used to account for the activities of several non-grant special revenue funds. It includes Fish and Game, Vehicle License Fees (VLF) Securitization, Survey Monuments, Victim Assistance, Sans Crainte Drainage and county water districts.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

JUNE 30, 2009
(In Thousands)

	Road	Library	Other Fire Protection	Health & Sanitation	Service Areas	Flood Control
Assets:						
Cash and investments	$ 63,557		11,364	24,058	32,534	52,676
Accounts receivable and accrued revenue	3,054	11,048	19	390	91	280
Due from other funds	617	272	10	165	119	261
Advances to other funds						
Notes receivable						
Prepaid items and deposits	704		1			18
Land held for resale						
Restricted cash and investments						
Total assets	$ 67,932	11,320	11,394	24,613	32,744	53,235
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$ 2,011	1,958	1,114	752	146	490
Due to other funds	3,040	148	28	19,317	690	2,081
Advances from other funds						
Deferred revenue	2,101			5		
Total liabilities	7,152	2,106	1,142	20,074	836	2,571
Fund Balances:						
Reserved for:						
Encumbrances	365	1,493	207	2		325
Advances to other funds						
Prepaid items and deposits	704		1			18
Land held for resale						
Bond proceeds with purpose restriction						
Housing projects						
Unreserved, designated for:						
Equipment replacement	5,410	109				606
Unreserved, undesignated	54,301	7,612	10,044	4,537	31,908	49,715
Total fund balances	60,780	9,214	10,252	4,539	31,908	50,664
Total liabilities and fund balances	$ 67,932	11,320	11,394	24,613	32,744	53,235

Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Redevelopment Agency	Child Development	In-Home Supportive Services	Other Special Revenue	Total
30,446	545	9,085	6,946	1			231,212
1,233	349	24	470	3,891	372	26,573	47,794
325	328		312	1,063	229	237	3,938
						7,468	7,468
			4,432			7,069	11,501
50		16			77	84	950
			2,645				2,645
			13,389				13,389
32,054	1,222	9,125	28,194	4,955	678	41,431	318,897
1,001		264	175	991	107	1,919	10,928
8,308	655	25	408	3,225	547	617	39,089
			6,030				6,030
			4,432	505		7,079	14,122
9,309	655	289	11,045	4,721	654	9,615	70,169
17	172	26	4,810			56	7,473
						7,468	7,468
50		16			77	84	950
			2,645				2,645
			9,559				9,559
			320				320
98						92	6,315
22,580	395	8,794	(185)	234	(53)	24,116	213,998
22,745	567	8,836	17,149	234	24	31,816	248,728
32,054	1,222	9,125	28,194	4,955	678	41,431	318,897

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Road	Library	Other Fire Protection	Health & Sanitation	Service Areas	Flood Control
Revenues:						
Taxes	$ 13,205	20,890	11,014	4,657	6,050	9,050
Licenses, permits and franchise fees					10	801
Fines, forfeitures and penalties				1,971		
Use of money and property	952	67		189	660	791
Intergovernmental	19,941	3,410	382	10,701	228	1,000
Charges for services	5,994	992	12	92	11,588	18,003
Other revenue	3,681	564	584	135	1,925	2,377
Total revenues	43,773	25,923	11,992	17,745	20,461	32,022
Expenditures:						
Current:						
General government		81				
Public protection			11,378		13,116	29,320
Health and sanitation				7,780		
Public assistance						
Education		26,743			197	
Public ways and facilities	52,266				875	1,232
Recreation and culture					1,553	
Debt service:						
Interest	67			3		
Total expenditures	52,333	26,824	11,378	7,783	15,741	30,552
Excess (deficiency) of revenues over (under) expenditures	(8,560)	(901)	614	9,962	4,720	1,470
Other Financing Sources (Uses):						
Transfers in	119	277	17		50	218
Transfers out	(4)	(744)		(17,859)	(234)	(334)
Total other financing sources (uses)	115	(467)	17	(17,859)	(184)	(116)
Net change in fund balances	(8,445)	(1,368)	631	(7,897)	4,536	1,354
Fund Balances at Beginning of Year	69,225	10,582	9,621	12,436	27,372	49,310
Fund Balances at End of Year	$ 60,780	9,214	10,252	4,539	31,908	50,664

Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Redevelopment Agency	Child Development	In-Home Supportive Services	Other Special Revenue	Total
7,322			3,459			503	76,150
						107	918
973	2,077					45	5,066
216	13		337	15		1,599	4,839
6,406				18,435	1,457	18,584	80,544
1,300		1,602			3	1,770	41,356
465			61	6,227	209	3,164	19,392
16,682	2,090	1,602	3,857	24,677	1,669	25,772	228,265
407	3,325					29	3,842
16,323		2,292				20,993	93,422
							7,780
			4,209	24,411	1,657	2,261	32,538
							26,940
						84	54,457
							1,553
	2	1	79	5		854	1,011
16,730	3,327	2,293	4,288	24,416	1,657	24,221	221,543
(48)	(1,237)	(691)	(431)	261	12	1,551	6,722
358	328	1				50	1,418
(1,238)		(45)	(1,410)	(238)		(915)	(23,021)
(880)	328	(44)	(1,410)	(238)		(865)	(21,603)
(928)	(909)	(735)	(1,841)	23	12	686	(14,881)
23,673	1,476	9,571	18,990	211	12	31,130	263,609
22,745	567	8,836	17,149	234	24	31,816	248,728

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
ROAD SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 13,205	13,205	13,205	
Use of money and property	2,371	2,271	952	(1,319)
Intergovernmental	25,878	25,003	19,941	(5,062)
Charges for services	6,541	7,658	5,994	(1,664)
Other revenue	3,573	5,290	3,681	(1,609)
Total revenues	51,568	53,427	43,773	(9,654)
Expenditures:				
Public ways and facilities				
Services and supplies	39,243	28,989	14,960	14,029
Other charges	6,532	12,012	10,411	1,601
Fixed assets	736	1,515	1,033	482
Expenditure transfers	21,863	28,094	25,862	2,232
Total public ways and facilities	68,374	70,610	52,266	18,344
Debt service:				
Interest	67	67	67	
Total expenditures	68,441	70,677	52,333	18,344
Deficiency of revenues under expenditures	(16,873)	(17,250)	(8,560)	8,690
Other Financing Sources (Uses) :				
Transfers in	103	103	119	16
Transfers out	(497)	(497)	(4)	493
Total other financing sources (uses)	(394)	(394)	115	509
Net change in fund balance	(17,267)	(17,644)	(8,445)	9,199
Fund Balance at Beginning of Year	69,225	69,225	69,225	
Fund Balance at End of Year	$ 51,958	51,581	60,780	9,199

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LIBRARY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 21,469	20,665	20,890	225
Use of money and property	76	76	67	(9)
Intergovernmental	3,807	3,835	3,410	(425)
Charges for services	1,047	1,047	992	(55)
Other revenue	20	353	564	211
Total revenues	26,419	25,976	25,923	(53)
Expenditures:				
General government				
Services and supplies		1	1	
Other charges		2	2	
Fixed assets	800	795	76	719
Expenditure transfers		2	2	
Total general government	800	800	81	719
Education				
Salaries and benefits	19,998	19,429	18,481	948
Services and supplies	5,562	5,752	4,923	829
Other charges	3,059	3,088	2,880	208
Fixed assets	1,204	1,110	428	682
Expenditure transfers	32	32	31	1
Total education	29,855	29,411	26,743	2,668
Total expenditures	30,655	30,211	26,824	3,387
Deficiency of revenues under expenditures	(4,236)	(4,235)	(901)	3,334
Other Financing Sources (Uses):				
Transfers in	1,647	1,647	277	(1,370)
Transfers out	(744)	(744)	(744)	
Total other financing sources (uses)	903	903	(467)	(1,370)
Net change in fund balance	(3,333)	(3,332)	(1,368)	1,964
Fund Balance at Beginning of Year	10,582	10,582	10,582	
Fund Balance at End of Year	$ 7,249	7,250	9,214	1,964

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 12,760	11,400	11,014	(386)
Use of money and property	30	30		(30)
Intergovernmental	573	573	382	(191)
Charges for services	96	96	12	(84)
Other revenue	20	20	584	564
Total revenues	13,479	12,119	11,992	(127)
Expenditures:				
Public protection				
Salaries and benefits	8,421	8,421	8,056	365
Services and supplies	5,930	5,499	2,053	3,446
Other charges	1,469	1,457	956	501
Fixed assets	2,760	2,876	313	2,563
Total expenditures	18,580	18,253	11,378	6,875
Excess (deficiency) of revenues over (under) expenditures	(5,101)	(6,134)	614	6,748
Other Financing Sources (Uses):				
Transfers in	74	74	17	(57)
Transfers out	(139)	(206)		206
Total other financing sources (uses)	(65)	(132)	17	149
Net change in fund balance	(5,166)	(6,266)	631	6,897
Fund Balance at Beginning of the Year	9,621	9,621	9,621	
Fund Balance at End of Year	$ 4,455	3,355	10,252	6,897

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

HEALTH AND SANITATION SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 4,598	4,602	4,657	55
Fines, forfeitures and penalties	1,650	1,784	1,971	187
Use of money and property	110	274	189	(85)
Intergovernmental	3,173	11,306	10,701	(605)
Charges for services	92	92	92	
Other revenue	12	70	135	65
Total revenues	9,635	18,128	17,745	(383)
Expenditures:				
Health and sanitation				
Salaries and benefits	538	537	533	4
Services and supplies	16,363	7,153	3,436	3,717
Other charges	2,199	2,230	1,669	561
Fixed assets	153	167	33	134
Expenditure transfers	2,160	2,563	2,109	454
Total health and sanitation	21,413	12,650	7,780	4,870
Debt service:				
Interest	3	3	3	
Total expenditures	21,416	12,653	7,783	4,870
Excess (deficiency) of revenues over (under) expenditures	(11,781)	5,475	9,962	4,487
Other Financing Sources (Uses):				
Transfers in	(60)	30		(30)
Transfers out	(489)	(18,012)	(17,859)	153
Total other financing sources (uses)	(549)	(17,982)	(17,859)	123
Net change in fund balance	(12,330)	(12,507)	(7,897)	4,610
Fund Balance at Beginning of Year	12,436	12,436	12,436	
Fund Balance at End of Year	$ 106	(71)	4,539	4,610

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
SERVICE AREAS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 4,059	4,078	6,050	1,972
Licenses, permits and franchise fees	18	18	10	(8)
Use of money and property	1,138	1,138	660	(478)
Intergovernmental	1,601	1,855	228	(1,627)
Charges for services	8,924	8,997	11,588	2,591
Other revenue	22	76	1,925	1,849
Total revenues	15,762	16,162	20,461	4,299
Expenditures:				
Public protection				
Services and supplies	29,788	28,969	10,147	18,822
Other charges	1,841	816	816	
Fixed assets	1	7	7	
Expenditure transfers	451	2,180	2,146	34
Reserves	29	25		25
Total public protection	32,110	31,997	13,116	18,881
Education				
Other charges	302	302	197	105
Total education	302	302	197	105
Public ways and facilities				
Services and supplies	5,172	4,740	53	4,687
Other charges	387	703	699	4
Fixed assets		2	2	
Expenditure transfers	8	122	121	1
Total public ways and facilities	5,567	5,567	875	4,692
Recreation and culture				
Services and supplies	622	667	432	235
Other charges	289	561	523	38
Fixed assets	3,110	3,110	205	2,905
Expenditure transfers	346	397	393	4
Total recreation and culture	4,367	4,735	1,553	3,182
Total expenditures	42,346	42,601	15,741	26,860
Excess (deficiency) of revenues over (under) expenditures	(26,584)	(26,439)	4,720	31,159
Other Financing Sources (Uses):				
Transfers in		50	50	
Transfers out		(188)	(234)	(46)
Total other financing sources (uses)		(138)	(184)	(46)
Net change in fund balance	(26,584)	(26,577)	4,536	31,113
Fund Balance at Beginning of Year	27,372	27,372	27,372	
Fund Balance at End of Year	$ 788	795	31,908	31,113

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

FLOOD CONTROL SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 9,162	9,162	9,050	(112)
Licenses, permits and franchise fees	3,288	3,290	801	(2,489)
Use of money and property	1,301	1,301	791	(510)
Intergovernmental	2,862	2,863	1,000	(1,863)
Charges for services	14,564	14,641	18,003	3,362
Other revenue	821	831	2,377	1,546
Total revenues	31,998	32,088	32,022	(66)
Expenditures:				
Current:				
Public protection				
Services and supplies	35,111	29,651	14,592	15,059
Other charges	22,931	25,598	4,875	20,723
Fixed assets	118	262	195	67
Expenditure transfers	9,694	11,794	9,658	2,136
Reserves	2,508	2,492		2,492
Total public protection	70,362	69,797	29,320	40,477
Public ways and facilities				
Services and supplies	6,005	6,005	1,231	4,774
Other charges	1,502	1,502	1	1,501
Total public ways and facilities	7,507	7,507	1,232	6,275
Debt service:				
Principal	98	98		98
Total expenditures	77,967	77,402	30,552	46,850
Excess (deficiency) of revenues over (under) expenditures	(45,969)	(45,314)	1,470	46,784
Other Financing Sources (Uses):				
Transfers in	(327)	(222)	218	440
Transfers out	(2,033)	(2,833)	(334)	2,499
Total other financing sources (uses)	(2,360)	(3,055)	(116)	2,939
Net change in fund balance	(48,329)	(48,369)	1,354	49,723
Fund Balance at Beginning of Year	49,310	49,310	49,310	
Fund Balance at End of Year	$ 981	941	50,664	49,723

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 8,173	8,386	7,322	(1,064)
Fines, forfeitures and penalties	650	650	973	323
Use of money and property	703	703	216	(487)
Intergovernmental	7,570	7,536	6,406	(1,130)
Charges for services	997	997	1,300	303
Other revenue	315	318	465	147
Total revenues	18,408	18,590	16,682	(1,908)
Expenditures:				
General government				
Services and supplies	1,926	1,926		1,926
Other charges		1	1	
Expenditure transfers	2,725	2,724	406	2,318
Total general government	4,651	4,651	407	4,244
Public protection				
Salaries and benefits	2,280	2,095	1,681	414
Services and supplies	11,826	10,327	115	10,212
Other charges	5,823	4,848	3,369	1,479
Fixed assets	300	1,467	118	1,349
Expenditure transfers	15,040	15,871	11,040	4,831
Total public protection	35,269	34,608	16,323	18,285
Total expenditures	39,920	39,259	16,730	22,529
Deficiency of revenues under expenditures	(21,512)	(20,669)	(48)	20,621
Other Financing Sources (Uses):				
Transfers in	329	242	358	116
Transfers out	(1,938)	(2,737)	(1,238)	1,499
Total other financing sources (uses)	(1,609)	(2,495)	(880)	1,615
Net change in fund balance	(23,121)	(23,164)	(928)	22,236
Fund Balance at Beginning of Year	23,673	23,673	23,673	
Fund Balance at End of Year	$ 552	509	22,745	22,236

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines, forfeitures and penalties	$ 2,348	2,348	2,077	(271)
Use of money and property	(18)	(18)	13	31
Intergovernmental	328	328		(328)
Total revenues	2,658	2,658	2,090	(568)
Expenditures:				
General government				
Services and supplies	181	181		181
Other charges	2,591	3,325	3,325	
Fixed assets		626		626
Total general government	2,772	4,132	3,325	807
Debt service:				
Interest	2	2	2	
Total expenditures	2,774	4,134	3,327	807
Deficiency of revenues under expenditures	(116)	(1,476)	(1,237)	239
Other Financing Sources:				
Transfers in			328	328
Total other financing sources			328	328
Net change in fund balance	(116)	(1,476)	(909)	567
Fund Balance at Beginning of Year	1,476	1,476	1,476	
Fund Balance at End of Year	$ 1,360		567	567

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 1,868	1,868	1,602	(266)
Total revenues	1,868	1,868	1,602	(266)
Expenditures:				
Public protection				
Salaries and benefits	1,137	1,137	1,092	45
Services and supplies	8,704	8,704	755	7,949
Other charges	531	530	333	197
Fixed assets	514	514	112	402
Total public protection	10,886	10,885	2,292	8,593
Debt service:				
Interest		1	1	
Total expenditures	10,886	10,886	2,293	8,593
Deficiency of revenues under expenditures	(9,018)	(9,018)	(691)	8,327
Other Financing Sources (Uses):				
Transfers in			1	1
Transfers out	(45)	(45)	(45)	
Total other financing sources (uses)	(45)	(45)	(44)	1
Net change in fund balance	(9,063)	(9,063)	(735)	8,328
Fund Balance at Beginning of Year	9,571	9,571	9,571	
Fund Balance at End of Year	$ 508	508	8,836	8,328

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 2,328	2,328	3,459	1,131
Use of money and property	73	73	337	264
Other revenue	70	70	61	(9)
Total revenues	2,471	2,471	3,857	1,386
Expenditures:				
Public assistance				
Services and supplies	22,305	18,893	5	18,888
Other charges	1,841	1,841	6	1,835
Fixed assets	865	4,198	4,198	
Total public assistance	25,011	24,932	4,209	20,723
Debt service:				
Interest		79	79	
Total expenditures	25,011	25,011	4,288	20,723
Deficiency of revenues under expenditures	(22,540)	(22,540)	(431)	22,109
Other Financing Uses:				
Transfers out			(1,410)	(1,410)
Total other financing uses			(1,410)	(1,410)
Net change in fund balance	(22,540)	(22,540)	(1,841)	20,699
Fund Balance at Beginning of Year	18,990	18,990	18,990	
Fund Balance at End of Year	$ (3,550)	(3,550)	17,149	20,699

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

CHILD DEVELOPMENT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 5	5	15	10
Intergovernmental	19,455	19,975	18,435	(1,540)
Other revenue	7,736	7,736	6,227	(1,509)
Total revenues	27,196	27,716	24,677	(3,039)
Expenditures:				
Public assistance				
Salaries and benefits	8,965	8,875	6,417	2,458
Services and supplies	2,306	2,304	2,090	214
Other charges	4,495	4,620	4,619	1
Fixed assets	50	100		100
Expenditure transfers	11,328	11,765	11,285	480
Total public assistance	27,144	27,664	24,411	3,253
Debt service:				
Interest	5	5	5	
Total expenditures	27,149	27,669	24,416	3,253
Excess of revenues over expenditures	47	47	261	214
Other Financing Uses:				
Transfers out	(238)	(238)	(238)	
Total other financing uses	(238)	(238)	(238)	
Net change in fund balance	(191)	(191)	23	214
Fund Balance at Beginning of Year	211	211	211	
Fund Balance at End of Year	$ 20	20	234	214

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 1,593	1,593	1,457	(136)
Charges for services			3	3
Other revenue	364	364	209	(155)
Total revenues	1,957	1,957	1,669	(288)
Expenditures:				
Public assistance				
Salaries and benefits	1,458	1,011	913	98
Services and supplies	186	360	205	155
Other charges	146	419	398	21
Expenditure transfers	141	141	141	
Total expenditures	1,931	1,931	1,657	274
Excess of revenues over expenditures	26	26	12	(14)
Net change in fund balance	26	26	12	(14)
Fund Balance at Beginning of Year	12	12	12	
Fund Balance at End of Year	$ 38	38	24	(14)

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 1,414	1,414	503	(911)
Licenses, permits and franchise fees	105	105	107	2
Fines, forfeitures and penalties	43	43	45	2
Use of money and property	697	697	1,599	902
Intergovernmental	20,165	19,335	18,584	(751)
Charges for services	2,379	2,379	1,770	(609)
Other revenue	1,803	1,803	3,164	1,361
Total revenues	26,606	25,776	25,772	(4)
Expenditures:				
General government				
Services and supplies	593	592		592
Other charges		1	1	
Expenditure transfers	64	64	28	36
Total general government	657	657	29	628
Public protection				
Salaries and benefits	16,352	16,372	15,836	536
Services and supplies	6,653	6,685	3,739	2,946
Other charges	2,737	2,745	883	1,862
Fixed assets	10	8	8	
Expenditure transfers	1,517	979	527	452
Total public protection	27,269	26,789	20,993	5,796
Public assistance				
Salaries and benefits	209	209	198	11
Services and supplies	11,918	12,040	1,387	10,653
Other charges	603	616	295	321
Expenditure transfers	500	500	381	119
Total public assistance	13,230	13,365	2,261	11,104
Public ways and facilities				
Services and supplies	74	53		53
Other charges	65	1		1
Expenditure transfers		85	84	1
Total public ways and facilities	139	139	84	55
Debt service:				
Interest	212	855	854	1
Total expenditures	41,507	41,805	24,221	17,584
Excess (deficiency) of revenues over (under) expenditures	(14,901)	(16,029)	1,551	17,580
Other Financing Sources (Uses):				
Transfers in	3	358	50	(308)
Transfers out	(4,237)	(4,107)	(915)	3,192
Total other financing sources (uses)	(4,234)	(3,749)	(865)	2,884
Net change in fund balance	(19,135)	(19,778)	686	20,464
Fund Balance at Beginning of Year	31,130	31,130	31,130	
Fund Balance at End of Year	$ 11,995	11,352	31,816	20,464

Nonmajor Debt Service Funds

DEBT SERVICE FUNDS

Debt service funds are used to account for accumulation of resources for, and payment of, principal and interest on the county's general long-term debt.

RECREATION AND PARK BONDS FUND

This fund is used to account for accumulated monies for payment of recreation and park bonds. Financing is provided by specific property tax levies.

STORM DRAINAGE BONDS FUND

This fund is used to account for accumulated monies for payment of storm drainage bonds. Financing is provided by specific property tax levies.

PUBLIC FINANCING AUTHORITY (PFA) FUND

This fund is used to account for accumulated monies for payment of general long-term debt incurred for the various financing activities of the County of Contra Costa Public Financing Authority.

RETIREMENT LITIGATION SETTLEMENT FUND

This fund is used to account for accumulated monies for payment of the additional retirement benefits for retirees from the settlement of Vernon D. Paulson, et. al. vs. Board of Retirement of the Contra Costa County Employees' Retirement Association, et al. The county has entered into an agreement with CCCERA to pay the liability for its share of the additional costs over a twenty year period.

REDEVELOPMENT AGENCY (RDA) FUND

This fund is used to account for accumulated monies for payment of general long-term debt incurred for the purchase of real property within the area of the Redevelopment Agency.

PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds. These bonds were issued to reduce or extinguish the county's unfunded actuarial accrued liability (UAAL).

CCC FIRE PROTECTION DISTRICT PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds for the Contra Costa County Fire Protection District. These bonds were issued to reduce or extinguish the fire district's unfunded actuarial accrued liability (UAAL).

ASSESSMENT DISTRICTS FUND

This fund is used to account for accumulated monies for payment of assessment district debt issued to fund assessment district capital improvement projects.

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2009
(In Thousands)

	Recreation and Park Bonds	Storm Drainage Bonds	Public Financing Authority
Assets:			
Cash and investments	$ 77	1	30
Accounts receivable and accrued revenue			
Due from other funds			
Restricted cash and investments			10,074
Total assets	$ 77	1	10,104
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	$		
Due to other funds			155
Advance from other funds			
Total liabilities			155
Fund Balances:			
Reserved for:			
Debt service	77	1	9,949
Total fund balances	77	1	9,949
Total liabilities and fund balances	$ 77	1	10,104

Retirement Litigation Settlement	Redevelopment Agency	CCC Fire Protection District Pension Bond	County Pension Bond Debt Service	Assessment Districts	Total
	4,230	6,348		2,168	12,854
2,530			4,085	1	6,616
230	1,730			29	1,989
	9,311		10,315	1,979	31,679
2,760	15,271	6,348	14,400	4,177	53,138
2,760				325	3,085
	405		12,665		13,225
	106				106
2,760	511		12,665	325	16,416
	14,760	6,348	1,735	3,852	36,722
	14,760	6,348	1,735	3,852	36,722
2,760	15,271	6,348	14,400	4,177	53,138

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Recreation and Park Bonds	Storm Drainage Bonds	Public Financing Authority
Revenues:			
Taxes	$		
Use of money and property			23,746
Other revenue			
Total revenues			23,746
Expenditures:			
Current:			
General government			22,600
Public assistance			
Debt service:			
Principal			9,813
Interest			14,455
Debt issuance cost			326
Total expenditures			47,194
Excess (deficiency) of revenues over (under) expenditures			(23,448)
Other Financing Sources (Uses):			
Transfers in			574
Transfers out			
Issuance of debt			23,121
Total other financing sources (uses)			23,695
Net change in fund balances			247
Fund Balances at Beginning of Year	77	1	9,702
Fund Balances at End of Year	$ 77	1	9,949

Retirement Litigation Settlement	Redevelopment Agency	CCC Fire Protection District Pension Bond	County Pension Bond Debt Service	Assessment Districts	Total
	7,119			13,618	20,737
	131	34	841	46	24,798
		9,342	1,770		11,112
	7,250	9,376	2,611	13,664	56,647
			11		22,611
	1			11,705	11,706
837	1,410	2,685	27,530	665	42,940
1,923	6,797	6,117	27,783	668	57,743
					326
2,760	8,208	8,802	55,324	13,038	135,326
(2,760)	(958)	574	(52,713)	626	(78,679)
2,760	7,500		51,136		61,970
	(290)	(132)		(574)	(996)
					23,121
2,760	7,210	(132)	51,136	(574)	84,095
	6,252	442	(1,577)	52	5,416
	8,508	5,906	3,312	3,800	31,306
	14,760	6,348	1,735	3,852	36,722

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

RECREATION AND PARK BONDS DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 529	529		(529)
Intergovernmental	5	5		(5)
Total revenues	534	534		(534)
Expenditures:				
Current:				
Public assistance	67	67		67
Debt service:				
Principal	420	420		420
Interest	124	124		124
Total expenditures	611	611		611
Excess (deficiency) of revenues over (under) expenditures	(77)	(77)		77
Net change in fund balance	(77)	(77)		77
Fund Balance at Beginning of Year	77	77	77	
Fund Balance at End of Year	$		77	77

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

STORM DRAINAGE BONDS DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:	$			
Total revenues				
Expenditures:				
Current:				
Public assistance	1	1		1
Total expenditures	1	1		1
Excess (deficiency) of revenues over (under) expenditures	(1)	(1)		1
Net change in fund balance	(1)	(1)		1
Fund Balance at Beginning of Year	1	1	1	
Fund Balance at End of Year	$		1	1

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:	$			
Total revenues				
Expenditures:				
Debt service:				
Principal	837	837	837	
Interest	1,923	1,923	1,923	
Total expenditures	2,760	2,760	2,760	
Deficiency of revenues under expenditures	(2,760)	(2,760)	(2,760)	
Other Financing Sources:				
Transfers in	2,760	2,760	2,760	
Total other financing sources	2,760	2,760	2,760	
Net change in fund balance				
Fund Balance at Beginning of Year				
Fund Balance at End of Year	$			

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

REDEVELOPMENT AGENCY DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 8,293	8,293	7,119	(1,174)
Use of money and property	1,212	1,212	131	(1,081)
Total revenues	9,505	9,505	7,250	(2,255)
Expenditures:				
Current:				
Public assistance	5	5	1	4
Debt service:				
Principal	1,290	1,410	1,410	
Interest	8,210	8,090	6,797	1,293
Total expenditures	9,505	9,505	8,208	1,297
Deficiency of revenues under expenditures			(958)	(958)
Other Financing Sources (Uses):				
Transfers in			7,500	7,500
Transfers out			(290)	(290)
Total other financing sources (uses)			7,210	7,210
Net change in fund balance			6,252	6,252
Fund Balance at Beginning of Year	8,508	8,508	8,508	
Fund Balance at End of Year	$ 8,508	8,508	14,760	6,252

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

CCC FIRE PROTECTION DISTRICT PENSION BOND DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 135	135	34	(101)
Other revenue	3,029	3,029	9,342	6,313
Total revenues	3,164	3,164	9,376	6,212
Expenditures:				
Current:				
Public protection	118	118		118
Debt service:				
Principal	2,685	2,685	2,685	
Interest	6,117	6,117	6,117	
Total expenditures	8,920	8,920	8,802	118
Excess (deficiency) of revenues over (under) expenditures	(5,756)	(5,756)	574	6,330
Other Financing Uses:				
Transfers out	(150)	(150)	(132)	18
Total other financing uses	(150)	(150)	(132)	18
Net change in fund balance	(5,906)	(5,906)	442	6,348
Fund Balance at Beginning of Year	5,906	5,906	5,906	
Fund Balance at End of Year	$		6,348	6,348

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

COUNTY PENSION BOND DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 900	900	841	(59)
Other revenue		1,770	1,770	
Total revenues	900	2,670	2,611	(59)
Expenditures:				
Current:				
General government	4,212	4,212	11	4,201
Debt service:				
Principal	27,530	27,530	27,530	
Interest	27,783	27,783	27,783	
Total expenditures	59,525	59,525	55,324	4,201
Deficiency of revenues under expenditures	(58,625)	(56,855)	(52,713)	4,142
Other Financing Sources:				
Transfers in	55,313	53,543	51,136	(2,407)
Total other financing sources	55,313	53,543	51,136	(2,407)
Net change in fund balance	(3,312)	(3,312)	(1,577)	1,735
Fund Balance at Beginning of Year	3,312	3,312	3,312	
Fund Balance at End of Year	$		1,735	1,735

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Capital Projects Funds

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary funds.

REDEVELOPMENT AGENCY (RDA) FUND

This fund accounts for the acquisition of real property and construction of improvements thereon in the county's unincorporated areas by the Redevelopment Agency for the purpose of removing or preventing blight.

COUNTY FACILITIES FUND

This fund is used to account for the cost of improvements to the leased facility at Ellinwood Park and other miscellaneous capital project expenses.

ASSESSMENT DISTRICTS FUND

This fund is used to account for all the capital improvement projects constructed using assessment district funds.

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2009
(In Thousands)

	Redevelopment Agency	County Facilities	Assessment Districts	Total
Assets:				
Cash and investments	$ 20,593	1,684	718	22,995
Accounts receivable and accrued revenue (net)	755			755
Due from other funds	706	58		764
Notes receivable	22			22
Land held for resale	4,762			4,762
Restricted cash and investments	44,650		26	44,676
Total assets	$ 71,488	1,742	744	73,974
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 293		1	294
Due to other funds	2,039	1,742		3,781
Advances from other funds	1,332			1,332
Deferred revenue	22			22
Total liabilities	3,686	1,742	1	5,429
Fund balances:				
Reserved for:				
Encumbrances	16,461			16,461
Land held for resale	4,762			4,762
Programs with purpose restrictions	644			644
Bond proceeds with eligibility restrictions	33,149			33,149
Unreserved, undesignated	12,786		743	13,529
Total fund balances	67,802		743	68,545
Total liabilities and fund balances	$ 71,488	1,742	744	73,974

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

CAPITAL PROJECTS FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Redevelopment Agency	County Facilities	Assessment Districts	Total
Revenues:				
Taxes	$ 6,719			6,719
Use of money and property	1,240		27	1,267
Intergovernmental	4,012			4,012
Other revenue	1,041	22,824		23,865
Total revenues	13,012	22,824	27	35,863
Expenditures:				
Current:				
Public assistance	10,818	13,729		24,547
Public ways and facilities			3,795	3,795
Debt service:				
Interest	27			27
Total expenditures	10,845	13,729	3,795	28,369
Excess (deficiency) of revenues over (under) expenditures	2,167	9,095	(3,768)	7,494
Other Financing Sources (Uses):				
Transfers in	749			749
Transfers out	(7,049)			(7,049)
Total other financing sources (uses)	(6,300)			(6,300)
Net change in fund balance	(4,133)	9,095	(3,768)	1,194
Fund Balances at Beginning of Year	71,935	(9,095)	4,511	67,351
Fund Balances at End of Year	$ 67,802		743	68,545

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 6,654	6,654	6,719	65
Use of money and property	252	252	1,240	988
Intergovernmental	94	94	4,012	3,918
Other revenue	8,537	8,537	1,041	(7,496)
Total revenues	15,537	15,537	13,012	(2,525)
Expenditures:				
Current:				
Public assistance				
Services and supplies	42,291	42,291	4,560	37,731
Other charges	29,769	29,769	3,115	26,654
Fixed assets	7,020	7,020	1,664	5,356
Expenditure transfers	1,565	1,565	1,479	86
Total public assistance	80,645	80,645	10,818	69,827
Debt service:				
Interest	33	33	27	6
Total expenditures	80,678	80,678	10,845	69,833
Excess (deficiency) of revenues over (under) expenditures	(65,141)	(65,141)	2,167	67,308
Other Financing Sources (Uses):				
Transfers in	23	23	749	726
Transfers out	(1,300)	(1,300)	(7,049)	(5,749)
Total other financing sources (uses)	(1,277)	(1,277)	(6,300)	(5,023)
Net change in fund balance	(66,418)	(66,418)	(4,133)	62,285
Fund Balance at Beginning of Year	71,935	71,935	71,935	
Fund Balance at End of Year	$ 5,517	5,517	67,802	62,285

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY FACILITIES CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Other revenue	$	13,730	22,824	9,094
Total revenues		13,730	22,824	9,094
Expenditures:				
Current:				
Public assistance				
Other charges		84	84	
Fixed assets		11,963	11,963	
Expenditure transfers		1,682	1,682	
Total expenditures		13,729	13,729	
Excess of revenues over expenditures		1	9,095	9,094
Net change in fund balance		1	9,095	9,094
Fund Balance at Beginning of Year	(9,095)	(9,095)	(9,095)	
Fund Balance at End of Year	$ (9,095)	(9,094)		9,094

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Governmental Fund

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The county's Permanent Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 102).

LIBRARY GIFT PERMANENT FUND

This fund is used to account for principal trust amounts received and related interest income. The interest portion of the fund is used to support the county libraries.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Enterprise Funds

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

AIRPORT FUND

This fund was established to account for the financial activities of the Buchanan Field and Byron Airport aviation facilities. Revenues include receipts under rental and lease arrangements involving county airport facilities, and state and federal aid.

SHERIFF LAW ENFORCEMENT TRAINING CENTER FUND

This fund was established to account for the financial activities of the Sheriff Law Enforcement Training Center. The center provides training to law enforcement personnel from the County Sheriff's Office and other agencies. Revenues include tuition fees paid by the student or law enforcement agency and state aid.

CHILD CARE ENTERPRISE

This fund was established to account for the fee-for-service childcare program through the Community Services Bureau. This program was established to meet the needs of families who do not qualify for Child Development programs due to a higher family income yet cannot afford to pay the cost of the market rate for childcare. Revenues will be generated by the program fees for childcare. The revenues are expected to cover the cost of the program operation.

HMO MEDI-CAL PLAN

Revenues and expenditures are capitation payments and costs related to Medi-Cal eligibles enrolled in the Medi-Cal Plan.

HMO COMMERCIAL PLAN

Revenues and expenditures are related to Medicare, county employees, and private citizens enrolled in the Commercial Plan. In addition to monthly insurance capitation payments, revenues include realignment funds, National Master Tobacco Settlement funds, and subsidies from the General Fund.

MAJOR RISK MEDICAL INSURANCE FUND

Revenues and expenditures related to residents who qualify for the state sponsored Aid to Infants and Mothers (AIM) Program and the Major Risk Medical Insurance Program (MRMIP).

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2009
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise
Assets:			
Current assets:			
Cash and investments	$		
Accounts receivable and accrued revenue (net)	1,403	27	
Inventories	15		
Due from other funds	1	329	9
Prepaid items and deposits	42	82	
Total current assets	1,461	438	9
Noncurrent assets:			
Restricted cash and investments	20		
Capital assets:			
Nondepreciable	12,572		
Depreciable, net	7,649	274	
Total noncurrent assets	20,241	274	
Total assets	$ 21,702	712	9
Liabilities and Net Assets			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	$ 475	125	
Accrued interest payable	6		
Due to other funds	88	1,065	8
Deferred revenue	556	1	
Current portion of long-term liabilities	30	3	
Total current liabilities	1,155	1,194	8
Noncurrent portion of long-term liabilities:			
Capital lease obligations	674		
Compensated absences	92	27	
Total noncurrent portion of long-term liabilities	766	27	
Total liabilities	1,921	1,221	8
Net Assets (Deficit):			
Invested in capital assets, net of related debt	19,527	274	
Restricted			
Unrestricted (deficit)	254	(783)	1
Total net assets (deficit)	19,781	(509)	1
Total liabilities and net assets	$ 21,702	712	9

HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
744	470	425	1,639
25,452	5,611	1	32,494
			15
3,412	25,019		28,770
			124
29,608	31,100	426	63,042
			20
			12,572
18			7,941
18			20,533
29,626	31,100	426	83,575
16,847	11,404	27	28,878
			6
9,764	17,661	48	28,634
			557
43			76
26,654	29,065	75	58,151
			674
385			504
385			1,178
27,039	29,065	75	59,329
18			19,819
		351	351
2,569	2,035		4,076
2,587	2,035	351	24,246
29,626	31,100	426	83,575

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise
Operating Revenues:			
Use of money and property	$ 3,434		
Charges for services	12	768	
Other revenue	496	32	12
Total operating revenues	3,942	800	12
Operating Expenses:			
Salaries and employee benefits	1,946	931	
Services and supplies	802	181	
Other charges	279	73	
Expenditure transfers	320	50	12
Depreciation	1,727	31	
Total operating expenses	5,074	1,266	12
Operating income (loss)	(1,132)	(466)	
Nonoperating Revenues (Expenses):			
State and federal grants	326	239	
Interest expense	(53)		
Total nonoperating revenues (expenses)	273	239	
Income (Loss) Before Transfers	(859)	(227)	
Transfers in		250	
Transfers out	(167)	(77)	
Change in net assets	(1,026)	(54)	
Total Net Assets at Beginning of Year	20,807	(455)	1
Total Net Assets at End of Year	$ 19,781	(509)	1

HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
	183	4	3,621
98,211	68,662	932	168,585
			540
98,211	68,845	936	172,746
11,505			14,382
81,056	112,316	1,013	195,368
5,241			5,593
			382
9			1,767
97,811	112,316	1,013	217,492
400	(43,471)	(77)	(44,746)
	38,157		38,722
(16)			(69)
(16)	38,157		38,653
384	(5,314)	(77)	(6,093)
	3,519		3,769
(452)			(696)
(68)	(1,795)	(77)	(3,020)
2,655	3,830	428	27,266
2,587	2,035	351	24,246

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise
Cash Flows from Operating Activities:			
Cash received from customers/other funds	$ 2,524	585	6
Cash payment to suppliers for goods and services	(1,386)	(61)	(7)
Cash payment to employees for services	(1,951)	(936)	
Net Cash Provided by Operating Activities	(813)	(412)	(1)
Cash Flows from Noncapital Financing Activities:			
State and federal grants	326	239	
Transfers received		250	
Transfers paid	(167)	(77)	
Net Cash Provided by (Used for) Noncapital Financing Activities	159	412	
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(359)		
Interest paid	(30)		
Lease purchase obligation principal payment	(161)		
Net Cash Used in Capital and Related Financing Activities	(550)		
Net Increase (Decrease) in Cash and Cash Equivalents	(1,204)		(1)
Cash and Cash Equivalents at Beginning of Year	1,224		1
Cash and Cash Equivalents at End of Year	$ 20		
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (1,132)	(466)	
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,727	31	
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts receivable and accrued revenue	(1,295)	(10)	2
Inventories	28		
Due from other funds	(1)	(205)	(8)
Prepaid items and deposits	21	(21)	
Increase (decrease) in:			
Accounts payable and accrued liabilities	19	45	
Due to other funds	(53)	218	5
Deferred revenue	(122)	1	
Compensated absences	(5)	(5)	
Net Cash Provided by (Used in) Operating Activities	$ (813)	(412)	(1)
Noncash capital financing activities (Airport):			
Change in accrued interest	$ 6		
Change in lease purchase obligation	$ 17		

HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
75,093	49,188	1,190	128,586
(76,791)	(91,122)	(971)	(170,338)
(11,495)			(14,382)
(13,193)	(41,934)	219	(56,134)
	38,157		38,722
	3,519		3,769
(452)			(696)
(452)	41,676		41,795
			(359)
(16)			(46)
			(161)
(16)			(566)
(13,661)	(258)	219	(14,905)
14,405	728	206	16,564
744	470	425	1,659
400	(43,471)	(77)	(44,746)
9			1,767
(24,606)	(3,131)	233	(28,807)
			28
1,489	(16,525)	21	(15,229)
2,929	10,356	18	13,367
6,586	10,837	24	17,617
			(121)
			(10)
(13,193)	(41,934)	219	(56,134)
			6
			17

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

INTERNAL SERVICE FUNDS

FLEET SERVICES

This fund is used to account for the rental of motor vehicles to other departments and related costs.

SELF-INSURANCE FUNDS

These funds are used to account for administrative costs and payments of claims under the various insurance programs. Revenues are primarily premiums paid by other operating funds and interest on investments. The insurance programs are:

Employee Dental Insurance
Long-Term Disability Insurance (Management Employees)
Workers' Compensation Insurance
- County General
- Fire Protection

Automotive Liability Insurance
Public (General) Liability Insurance
State Unemployment Insurance
Medical Liability Insurance
Special District Property Insurance

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2009
(In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Assets:				
Current assets:				
Cash and investments	$ 3,591	4,379	2,590	91,397
Accounts receivable and accrued revenue (net)	17		154	
Due from other funds	1,109			
Prepaid items and deposits	6			
Total current assets	4,723	4,379	2,744	91,397
Noncurrent assets:				
Capital assets:				
Nondepreciable	366			
Depreciable, net	3,789			
Total noncurrent assets	4,155			
Total assets	$ 8,878	4,379	2,744	91,397
Liabilities and Equity:				
Liabilities:				
Current liabilites:				
Accounts payable	$ 206			
Due to other funds	713	601	6	607
Claims payable		864	3,146	19,007
Compensated absences payable	9			
Total current liabilities	928	1,465	3,152	19,614
Noncurrent liabilities:				
Claims payable			629	54,543
Compensated absences payable	78			
Total noncurrent liabilities	78		629	54,543
Total liabilities	1,006	1,465	3,781	74,157
Net Assets:				
Invested in capital assets	4,155			
Unrestricted net assets	3,717	2,914	(1,037)	17,240
Total net assets	7,872	2,914	(1,037)	17,240
Total liabilities and net assets	$ 8,878	4,379	2,744	91,397

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
628	4,045	23,167	2,114	5,240	1,759	138,910
23,873		151	103			24,298
	67					1,176
						6
24,501	4,112	23,318	2,217	5,240	1,759	164,390
						366
						3,789
						4,155
24,501	4,112	23,318	2,217	5,240	1,759	168,545
						206
50	11	456	13	41	7	2,505
4,134	207	3,606	1,449	908		33,321
						9
4,184	218	4,062	1,462	949	7	36,041
20,826	521	5,692		2,453		84,664
						78
20,826	521	5,692		2,453		84,742
25,010	739	9,754	1,462	3,402	7	120,783
						4,155
(509)	3,373	13,564	755	1,838	1,752	43,607
(509)	3,373	13,564	755	1,838	1,752	47,762
24,501	4,112	23,318	2,217	5,240	1,759	168,545

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Operating Revenues:				
Charges for services	$ 11,335	9,957		20,858
Other revenue			1,879	
Total operating revenues	11,335	9,957	1,879	20,858
Operating Expenses:				
Salaries and employee benefits	1,601			
Services and supplies	6,105	604	25	5,880
Benefit and claim expense		9,454	4,085	19,921
Other charges	740			
Depreciation	1,299			
Total operating expenses	9,745	10,058	4,110	25,801
Operating Income (Loss)	1,590	(101)	(2,231)	(4,943)
Nonoperating Revenues:				
Investment income		39	25	4,762
Income (loss) before capital contributions and transfers	1,590	(62)	(2,206)	(181)
Capital contributions	2,721			
Transfers in	3,646			
Transfers out	(85)			
Change in net assets	7,872	(62)	(2,206)	(181)
Total Net Assets at Beginning of Year		2,976	1,169	17,421
Total Net Assets at End of Year	$ 7,872	2,914	(1,037)	17,240

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
4,215	1,020	4,724	1,200	4,160	1,949	59,418
				1		1,880
4,215	1,020	4,724	1,200	4,161	1,949	61,298
						1,601
552	1	1,827	14		1,588	16,596
10,527			2,909	2,316	137	49,349
						740
						1,299
11,079	1	1,827	2,923	2,316	1,725	69,585
(6,864)	1,019	2,897	(1,723)	1,845	224	(8,287)
1,019	136	1,001	35		5	7,022
(5,845)	1,155	3,898	(1,688)	1,845	229	(1,265)
						2,721
		1,600				5,246
				(1,600)		(1,685)
(5,845)	1,155	5,498	(1,688)	245	229	5,017
5,336	2,218	8,066	2,443	1,593	1,523	42,745
(509)	3,373	13,564	755	1,838	1,752	47,762

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance
Cash Flows from Operating Activities:			
Cash received from customers/other funds	$ 10,203	9,957	1,725
Cash payment to suppliers for goods and services	(6,132)	(9,293)	(761)
Cash payment to employees for services	(1,308)		
Net Cash Provided by (Used for) Operating Activities	2,763	664	964
Cash Flows from Noncapital Financing Activities:			
Transfers received	3,646		
Transfers paid out	(60)		
Net Cash Provided by Noncapital Financing Activities	3,586		
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(2,758)		
Net Cash Used in Capital and Related Financing Activities	(2,758)		
Cash Flows from Investing Activities:			
Interest received on investments		39	25
Net Cash Provided by Investing Activities		39	25
Net Increase (Decrease) in Cash and Cash Equivalents	3,591	703	989
Cash and Cash Equivalents at Beginning of Year		3,676	1,601
Cash and Cash Equivalents at End of Year	$ 3,591	4,379	2,590
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	$ 1,590	(101)	(2,231)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	1,299		
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts receivable and accrued revenue	(17)		(154)
Due from other funds	(1,109)		
Prepaid expense	(6)		
Increase (decrease) in:			
Accounts payable and accrued liabilities	206		
Claims payable		215	3,349
Due to other funds	713	550	
Compensated absences	87		
Net Cash Provided by (Used for) Operating Activities	$ 2,763	664	964
Noncash investing, capital, and financing activities:			
Contribution of capital assets from government	$ 2,721		
Transfer of capital asset	(25)		

Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
24,052	(18,747)	1,063	5,032	1,202	4,264	1,960	40,711
(18,529)	(3,364)	(486)	(8,680)	(1,696)	(4,619)	(1,719)	(55,279)
(1)				(1)			(1,310)
5,522	(22,111)	577	(3,648)	(495)	(355)	241	(15,878)
			1,600				5,246
					(1,600)		(1,660)
			1,600		(1,600)		3,586
							(2,758)
							(2,758)
4,762	1,019	136	1,001	35		5	7,022
4,762	1,019	136	1,001	35		5	7,022
10,284	(21,092)	713	(1,047)	(460)	(1,955)	246	(8,028)
81,113	21,720	3,332	24,214	2,574	7,195	1,513	146,938
91,397	628	4,045	23,167	2,114	5,240	1,759	138,910
(4,943)	(6,864)	1,019	2,897	(1,723)	1,845	224	(8,287)
							1,299
3,004	(22,994)	30	236	1	48	11	(19,835)
190	32	13	72	1	55		(746)
							(6)
(1)				(1)			204
7,223	7,757	(487)	(6,137)	1,228	(2,316)		10,832
49	(42)	2	(716)	(1)	13	6	574
							87
5,522	(22,111)	577	(3,648)	(495)	(355)	241	(15,878)
							2,721
							(25)

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

FIDUCIARY FUNDS

TRUST FUNDS

PENSION TRUST FUND

This fund is under the control of the Contra Costa County Employees' Retirement Association and is governed by the rules and regulations of the Retirement Act of 1937. The fund accumulates contributions from the county, contributions from employees, and earnings from the fund's investments. Disbursements are made from the fund for retirements, postemployment benefits, disability and death benefits, refund and administrative costs. This fund includes all assets of the retirement system.

OTHER POSTEMPLOYMENT BENEFITS IRREVOCABLE TRUST

This dedicated irrevocable trust fund accounts for the partial pre-funding of the county's postemployment health benefits plan. This plan provides health benefits to certain retired employees and their spouses and dependents.

AGENCY FUNDS

TAX LOSSES RESERVE

This fund was established as a reserve for all delinquent secured taxes. It accumulates gains from tax sales and specified amounts of penalties and interest collected on delinquent secured taxes to cover possible future losses on the sale of tax-deeded property.

UNAPPORTIONED TAXES

This fund is used to account for unsecured taxes receivable, delinquent secured taxes, amounts which are impounded because of disputes or litigation and amounts held pending authority for apportionment.

OTHER AGENCIES

This fund is used to account for assets held by the county for individuals, private organizations and other governmental units. This fund includes payroll deduction clearing and other collections clearing monies.

COUNTY OF CONTRA COSTA

COMBING STATEMENT OF NET ASSETS

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Pension Trust*	CCC OPEB Irrevocable Trust	Totals
Assets:			
Cash and investments	$ 166,275	20,024	186,299
Cash collateral - securities lending	280,748		280,748
Investments pension trust			
Stocks	1,584,443		1,584,443
Bonds	1,569,705		1,569,705
Real estate	372,960		372,960
Alternative Investments	218,175		218,175
Receivables	406,185		406,185
Due from other governments	7,619	14	7,633
Prepaid items and deposits	531		531
Capital assets, net	1,578		1,578
Total assets	4,608,219	20,038	4,628,257
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued liabilities	576,277		576,277
Employee benefits payable	1,496		1,496
Securities lending	280,747		280,747
Total liabilities	858,520		858,520
Net Assets:			
Held in trust for employees' pension benefits/ other postemployment benefits	3,749,699	20,038	3,769,737
Total net assets	$ 3,749,699	20,038	3,769,737

*CCCERA reported for Year ended December 31, 2008

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF CHANGES IN NET ASSETS

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Pension Trust*	CCC OPEB Irrevocable Trust	Totals
Additions:			
Employer contributions	$ 206,519	57,504	264,023
Plan member contributions	76,452	5,768	82,220
Investment income (loss)	(1,437,538)	78	(1,437,460)
Investment expense	(26,942)		(26,942)
Total additions	(1,181,509)	63,350	(1,118,159)
Deductions:			
Benefits paid	250,445	43,312	293,757
Refunds of contributions	3,730		3,730
Administrative and other expenses	5,601		5,601
Prepayment discount	7,624		7,624
Other	508		508
Total deductions	267,908	43,312	311,220
Net Increase (Decrease)	(1,449,417)	20,038	(1,429,379)
Net Assets Held In Trust at Beginning of Year	5,199,116		5,199,116
Net Assets Held in Trust at End of Year	$ 3,749,699	20,038	3,769,737

*CCCERA reported for Year ended December 31, 2008

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Tax Losses Reserve:				
Assets:				
Cash and investments	$ 46,366	29,623	10,069	65,920
Due from other governments	8,808	9,289	8,808	9,289
Total assets	$ 55,174	38,912	18,877	75,209
Liabilities:				
Due to other governments	$ 10,000	9,000	10,000	9,000
Tax loss guarantees	45,174	30,104	9,069	66,209
Total liabilities	$ 55,174	39,104	19,069	75,209
Unapportioned Taxes:				
Assets:				
Accounts receivable	$ 88,636	97,815	177,804	8,647
Due from other governments		50,212		50,212
Taxes receivable	254,796	1,476,445	1,468,020	263,221
Total assets	$ 343,432	1,624,472	1,645,824	322,080
Liabilities:				
Accounts payable	$ 107,026	97,811	180,913	23,924
Due to other governments	133,303	107,559	46,153	194,709
Unapportioned taxes	103,103	1,888,770	1,888,426	103,447
Total liabilities	$ 343,432	2,094,140	2,115,492	322,080
Other Agencies:				
Assets:				
Cash and investments	$ 88,435	1,626,424	1,630,494	84,365
Accounts receivable	12,478	18,091	19,808	10,761
Due from other governments		3,080	3,080	
Total assets	$ 100,913	1,647,595	1,653,382	95,126
Liabilities:				
Warrants outstanding	$ 24,824	662,246	661,595	25,475
Accounts payable	16,279	875,317	879,139	12,457
Due to other governments		4,234	4,234	
Due to other agencies and districts	59,810	210,400	213,016	57,194
Total liabilities	$ 100,913	1,752,197	1,757,984	95,126

(continued)

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(In Thousands)

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Totals-Agency Funds:				
Assets:				
Cash and investments	$ 134,801	1,656,047	1,640,563	150,285
Accounts receivable	101,114	115,906	197,612	19,408
Due from other governments	8,808	62,581	11,888	59,501
Taxes receivable	254,796	1,476,445	1,468,020	263,221
Total assets	$ 499,519	3,310,979	3,318,083	492,415
Liabilities:				
Warrants outstanding	$ 24,824	662,246	661,595	25,475
Accounts payable	123,305	973,128	1,060,052	36,381
Due to other governments	143,303	120,793	60,387	203,709
Unapportioned taxes	103,103	1,888,770	1,888,426	103,447
Tax loss guarantees	45,174	30,104	9,069	66,209
Due to other agencies and districts	59,810	210,400	213,016	57,194
Total liabilities	$ 499,519	3,885,441	3,892,545	492,415

(concluded)

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Statistical Section

COUNTY OF CONTRA COSTA

Statistical Section

This part of the county's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the county's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Economic & Demographic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

Note: The county implemented GASB Statement No. 34 in FY 2001-02. Schedules presenting government-wide information include information beginning in that year.

COUNTY OF CONTRA COSTA

NET ASSETS BY COMPONENT[1]

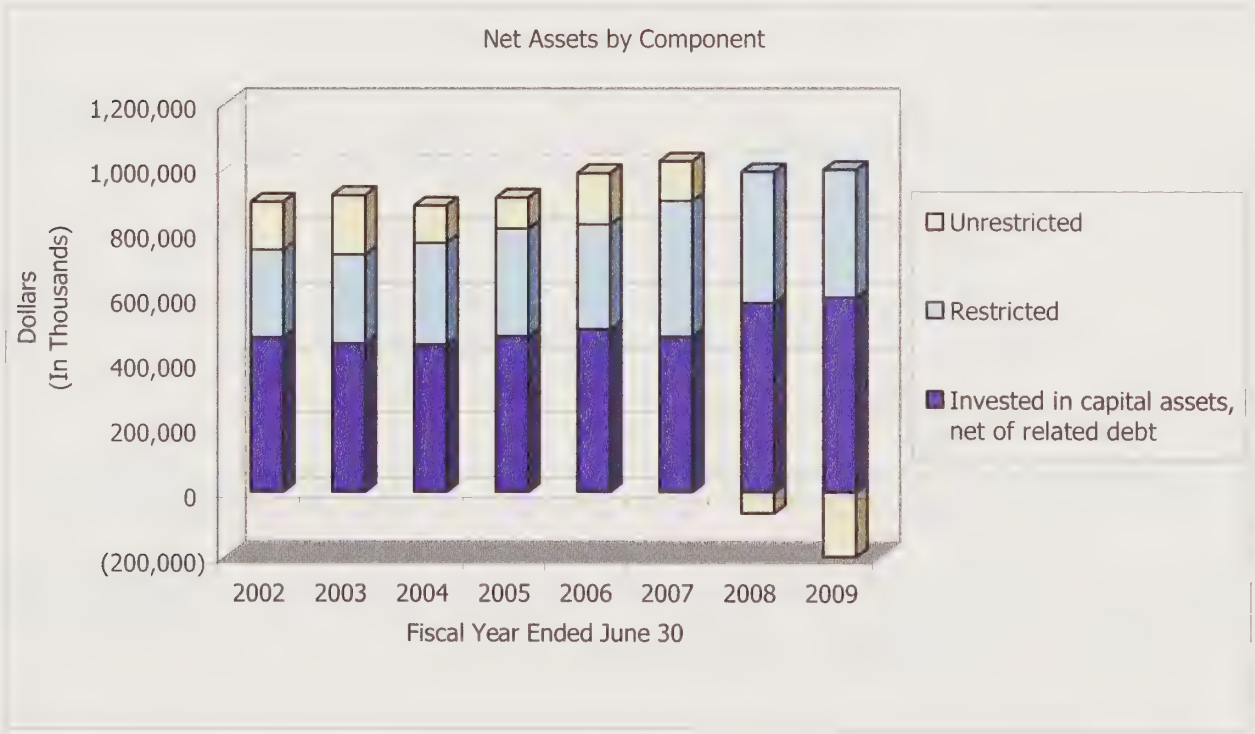
LAST EIGHT FISCAL YEARS

(Accrual basis of accounting)

(In Thousands)

(Unaudited)

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt[2]	$ 437,866	415,444	400,332	420,834	436,879	415,045	524,350	543,582
Restricted	259,481	264,054	303,797	319,706	309,387	401,842	380,563	369,912
Unrestricted	131,292	161,121	70,953	58,002	136,193	104,895	(75,238)	(203,042)
Total governmental activities net assets	828,639	840,619	775,082	798,542	882,459	921,782	829,675	710,452
Business-type activities								
Invested in capital assets, net of related debt	38,558	41,987	52,808	58,366	63,957	62,470	57,778	55,131
Restricted	11,376	10,535	10,535	13,132	14,242	18,483	24,591	26,121
Unrestricted	16,798	22,929	45,146	37,935	23,257	17,559	10,487	5,157
Total business-type activities net assets	66,732	75,451	108,489	109,433	101,456	98,512	92,856	86,409
Primary government								
Invested in capital assets, net of related debt	476,424	457,431	453,140	479,200	500,836	477,515	582,128	598,713
Restricted	270,857	274,589	314,332	332,838	323,629	420,325	405,154	396,033
Unrestricted	148,090	184,050	116,099	95,937	159,450	122,454	(64,751)	(197,885)
Total primary governmental net assets	$ 895,371	916,070	883,571	907,975	983,915	1,020,294	922,531	796,861



[1] Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when an external party, such as to state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the county.

[2] Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, and equipment.

Trend data is only available for the last eight fiscal years due to the implementation of GASB 34 in fiscal year ending June 30, 2002.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental activities								
General government	$ 115,534	91,367	103,796	129,016	166,470	165,911	211,224	199,218
Public protection	365,757	403,297	421,782	441,068	451,053	500,698	566,154	552,037
Health and sanitation	184,109	209,772	220,135	201,567	185,966	181,922	234,551	240,383
Public assistance	328,450	372,499	391,906	391,620	396,538	426,503	468,892	461,159
Education	16,364	18,822	20,217	21,321	22,647	25,452	30,040	28,983
Public ways and facilities	56,197	58,886	56,983	63,648	76,561	99,630	86,443	60,726
Recreation and culture	793	875	1,294	1,421	1,425	1,298	1,141	1,447
Interest on debt	36,340	33,029	48,072	48,855	55,532	81,243	73,873	61,239
Total government activities expenses	1,103,544	1,188,547	1,264,185	1,298,516	1,356,192	1,482,657	1,672,318	1,605,192
Business-type activities								
County Hospital	229,584	245,497	275,301	306,871	310,911	325,208	353,511	372,416
Housing Authority	65,038	82,591	99,676	101,331	97,351	97,278	98,849	97,217
Airport	4,323	4,554	4,668	4,903	5,239	4,972	5,183	5,127
Sheriff Law Enforcement Training Center	1,106	1,578	1,435	1,288	1,319	1,504	1,331	1,266
Child Care Enterprise							6	12
Health Maintenance Organization [1]	112,386	117,677	136,374	142,887				
HMO Medi-Cal Plan					69,434	81,703	85,645	97,827
HMO Commercial Plan					83,654	90,646	100,855	112,316
Major risk medical insurance	931	1,744	1,104	1,819	1,625	1,892	1,288	1,013
Total business-type activities expenses	413,368	453,641	518,558	559,099	569,533	603,203	646,668	687,194
Total primary government expenses	$ 1,516,912	1,642,188	1,782,743	1,857,615	1,925,725	2,085,860	2,318,986	2,292,386
Program revenues								
Governmental activities								
Charges for services								
General government	$ 73,680	71,976	94,121	81,289	92,169	97,371	102,339	100,315
Public protection	100,344	117,342	119,133	122,919	137,069	140,065	135,403	130,270
Health and sanitation	51,533	60,587	66,577	61,930	64,221	64,449	65,823	76,938
Public assistance	1,648	2,121	1,456	2,895	1,898	2,323	3,068	2,242
Education	738	687	984	848	838	866	923	992
Public ways and facilities	22,557	24,643	25,273	22,737	28,971	22,240	28,133	14,100
Recreation and culture	36	19	36	33	108	144	214	117
Operating grants and contributions	544,900	538,684	540,138	584,347	631,510	660,371	673,571	622,097
Capital grants and contributions	12,573	12,332	6,124	5,629	5,726	8,970	21,797	19,943
Total government activities program revenues	808,009	828,391	853,842	882,627	962,510	996,799	1,031,271	967,014
Business-type activities								
Charges for services								
County Hospital	178,040	209,779	247,712	271,216	246,452	248,401	271,565	310,221
Housing Authority	3,536	3,466	3,667	3,885	5,405	6,164	5,406	5,408
Airport	3,002	2,957	3,065	3,090	3,107	3,321	3,433	3,446
Sheriff Law Enforcement Training Center	200	587	705	826	982	927	879	768
Child Care Enterprise								
Health Maintenance Organization [1]	105,157	113,298	123,488	128,742				
HMO Medi-Cal Plan					67,126	77,261	86,163	98,211
HMO Commercial Plan					65,111	62,010	65,246	68,845
Major risk medical insurance	931	1,662	1,723	1,723	1,953	1,383	1,364	936
Operating grants and contributions	94,474	103,347	118,574	120,955	125,763	134,915	145,413	135,026
Capital grants and contributions	7,194	4,595	5,201	7,941	7,945	8,866	7,239	7,377
Total business-type activities program revenues	392,534	439,691	504,135	538,378	523,844	543,248	586,708	630,238
Total primary government program revenues	$ 1,200,543	1,268,082	1,357,977	1,421,005	1,486,354	1,540,047	1,617,979	1,597,252
Net (Expense)/Revenue[2]								
Governmental activities	$ (295,535)	(360,156)	(410,343)	(415,889)	(393,682)	(485,858)	(641,047)	(638,178)
Business-type activities	(20,834)	(13,950)	(14,423)	(20,721)	(45,689)	(59,955)	(59,960)	(56,956)
Total primary government net expense	$ (316,369)	(374,106)	(424,766)	(436,610)	(439,371)	(545,813)	(701,007)	(695,134)

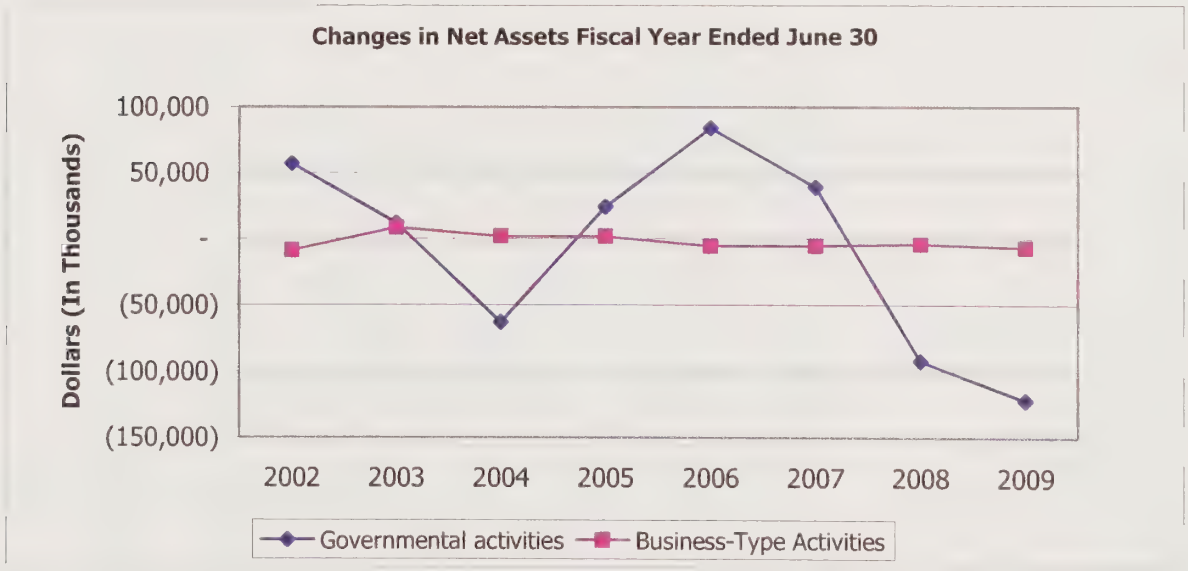
[1] For fiscal years 2002-2005 the fund was the Health Maintenance Organization. Beginning in 2006 the fund was split into HMO-Medical Plan and HMO-Commercial Plan.

[2] Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

(continued)

COUNTY OF CONTRA COSTA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets								
Governmental activities								
Taxes								
Property	$ 211,376	227,113	250,620	266,043	386,558	437,658	459,739	451,180
Sales	11,616	10,966	10,310	10,811	12,175	13,064	14,073	13,444
Other	15,692	18,841	15,782	16,214	15,869	16,941	22,179	26,709
Grants/contributions not restricted	77,741	83,035	69,341	107,861	20,326	16,120	11,300	14,089
Investment earnings	27,035	18,347	13,336	31,608	48,254	62,024	60,239	47,051
Other	20,158	36,140	35,815	29,587	33,048	32,661	35,344	12,935
Special item - retirement litigation settlement[1]			(31,979)					
Transfers	(11,063)	(22,306)	(15,900)	(21,836)	(38,631)	(53,287)	(53,934)	(49,098)
Total governmental activities	352,555	372,136	347,325	440,288	477,599	525,181	548,940	516,310
Business-type activities								
Investment earnings	298	376	12	134	49	386	455	429
Gain (loss) on sale of capital assets		(564)			(167)			
Other	1,076	551	609	596	1,841	1,082	1,746	987
Transfers	11,063	22,306	15,900	21,836	38,631	53,287	53,934	49,098
Total business-type activities	12,437	22,669	16,521	22,566	40,354	54,755	56,135	50,514
Total primary government	$ 364,992	394,805	363,846	462,854	517,953	579,936	605,075	566,824
Change in Net Assets								
Governmental activities	$ 57,020	11,980	(63,018)	24,399	83,917	39,323	(92,107)	(121,868)
Business-type activities	(8,397)	8,719	2,098	1,845	(5,335)	(5,200)	(3,825)	(6,442)
Total primary government	$ 48,623	20,699	(60,920)	26,244	78,582	34,123	(95,932)	(128,310)



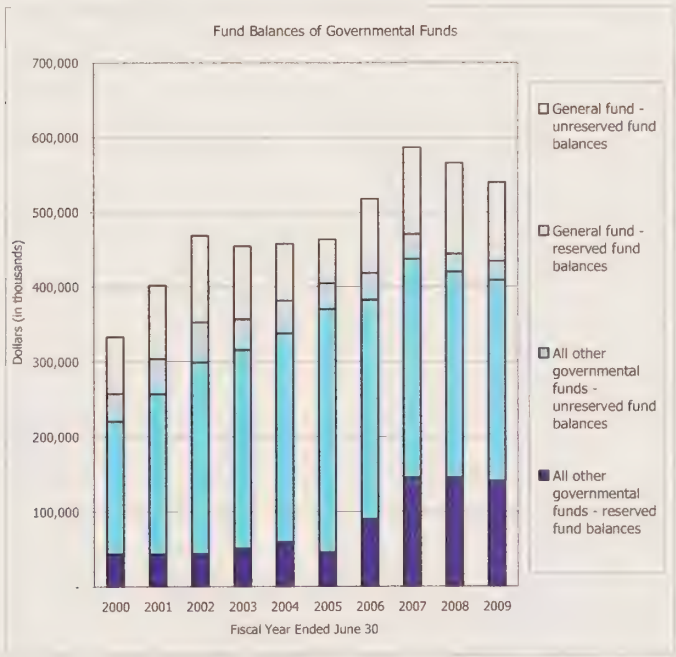
[1] During the year ended December 31, 1999, CCCERA settled its litigation, entitled Vernon D. Paulson, et al. v. Board of Retirement of the Contra Costa Employee's Retirement Association, et al. The consolidated lawsuit was brought on behalf of retired members of CCCERA regarding the inclusions and the exclusions from "final" compensation that are used in calculating members' retirement benefits as a result of the Ventura Decision. The final expense related to the settlement was determined and recorded in FY 2003 - 2004.

(concluded)

COUNTY OF CONTRA COSTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(In Thousands)
(Unaudited)

		Fiscal Year Ending June 30									
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund											
Reserved	$	36,920	46,904	53,744	41,044	43,998	34,404	35,764	33,003	24,098	25,464
Unreserved		75,801	97,703	115,658	97,525	75,888	58,659	99,374	116,113	121,516	105,260
Total general fund		112,721	144,607	169,402	138,569	119,886	93,063	135,138	149,116	145,614	130,724
All Other Governmental Funds											
Reserved											
Special Revenue Funds		17,268	14,864	14,305	13,370	14,377	14,796	20,533	28,086	49,997	47,315
Capital Projects Funds		1,928	131	159	1,170	17,326	3,995	59,233	82,021	62,182	55,016
Debt Service Funds		24,071	28,583	27,464	34,241	25,727	25,074	8,198	33,306	31,306	36,722
Permanent Funds				1,726	1,729	1,729	1,852	1,828	1,800	1,770	1,749
Total Reserved		43,267	43,578	43,654	50,510	59,159	45,717	89,792	145,213	145,255	140,802
Unreserved											
Special Revenue Funds		104,750	129,156	176,792	205,174	217,449	257,558	260,264	280,208	269,570	254,668
Capital Projects Funds		45,383	47,249	29,092	41,948	53,759	1,256	8,158	11,969	5,169	13,529
Debt Service Funds		27,072	37,034	48,973	17,609	7,075	65,776	24,390			
Permanent Funds				353	275	181					
Total Unreserved		177,205	213,439	255,210	265,006	278,464	324,590	292,812	292,177	274,739	268,197
Total all other governmental funds		220,472	257,017	298,864	315,516	337,623	370,307	382,604	437,390	419,994	408,999
Total Governmental Funds											
Total Reserved		80,187	90,482	97,398	91,554	103,157	80,121	125,556	178,216	169,353	166,266
Total Unreserved		253,006	311,142	370,868	362,531	354,352	383,249	392,186	408,290	396,255	373,457
Total governmental funds	$	333,193	401,624	468,266	454,085	457,509	463,370	517,742	586,506	565,608	539,723

Source: Comprehensive Annual Financial Report - County of Contra Costa, California



COUNTY OF CONTRA COSTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

	2000	2001	2002	2003
Revenues:				
Taxes	$ 204,383	296,644	322,635	343,321
Licenses, permits and franchise fees	20,395	25,749	35,277	37,748
Fines, forfeitures and penalties	19,000	18,296	18,525	18,233
Use of money and property	37,956	43,632	23,764	16,154
Intergovernmental	564,289	490,842	545,724	547,651
Charges for services	169,240	188,545	196,588	219,894
Other revenue	35,020	27,166	94,280	125,090
Total revenues	1,050,283	1,090,874	1,236,793	1,308,091
Expenditures:				
Current:				
General government	101,772	106,380	130,351	135,197
Public protection	307,260	325,821	378,011	426,662
Health and sanitation	164,142	161,220	182,164	201,140
Public assistance	302,690	294,317	337,673	383,360
Education	14,216	14,589	16,367	18,414
Public ways and facilities	50,508	54,611	88,830	79,119
Recreation and culture	619	426	1,099	716
Debt service:				
Principal	21,347	25,266	25,110	50,533
Debt issuance cost		1,643	412	441
Refunding bond issuance cost		1,881		
Payment to refunded bond escrow agent		1,595		3,272
Interest	39,288	33,443	36,307	31,652
Other charges				
Capital outlay	23,109	14,830	32,236	2,630
Total expenditures	1,024,951	1,036,022	1,228,560	1,333,136
Excess of revenues over (under) expenditures	25,332	54,852	8,233	(25,045)
Other Financing Sources (Uses):				
Transfers in	72,483	67,945	72,230	93,231
Transfers out	(67,941)	(76,188)	(83,293)	(115,537)
Proceeds from the sale of real estate			500	500
Proceeds of refunding bonds		113,389		
Proceeds from issuance of debt		24,897	12,650	348,467
Proceeds on issuance of debt transferred to business-type activities				
Proceeds on issuance of debt transferred to the investment trust funds				
Premium on debt issued				
Discount on debt issued				
Payment to retirement trustee				(319,095)
Payment to refund bonds		(94,944)		
Payment to refunded bond escrow agent		(16,231)		(329)
Capital lease financing	5,500	1,269	9,907	3,627
Total other financing sources (uses)	10,042	20,137	11,994	10,864
Net change in fund balances	35,374	74,989	20,227	(14,181)
Fund Balances at Beginning of Year, as Previously Reported	299,648	333,193	401,624	468,266
Adjustments to beginning fund balances	(1,829)	(6,558)	46,415	
Fund Balances at Beginning of Year, as Restated	297,819	326,635	448,039	468,266
Residual equity transfers in	200			
Residual equity transfers out	(200)			
Fund Balances at End of Year	$ 333,193	401,624	468,266	454,085
Debt Service:				
Principal	$ 21,347	25,266	25,110	50,533
Interest	39,288	33,443	36,307	31,652
Total Debt Service	$ 60,635	58,709	61,417	82,185
NonCapital Expenditures:				
Total Expenditures	$ 1,024,951	1,036,022	1,228,560	1,333,136
Less: Capital Outlays				
Capital Outlays	23,109	14,830	32,236	2,630
Capital Outlays included in Function Expenditures			56,441	73,622
Total NonCapital Expenditures	$ 1,001,842	1,021,192	1,139,883	1,256,884
Debt service as a percentage of noncapital expenditures	6.05%	5.75%	5.39%	6.54%

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

Fiscal Year Ending June 30					
2004	2005	2006	2007	2008	2009
349,387	403,373	434,930	484,472	508,058	505,424
38,600	31,862	38,992	43,018	29,853	25,485
31,701	21,095	18,651	18,300	29,430	19,604
11,942	29,968	46,575	57,908	59,829	39,610
542,929	587,529	637,179	669,343	689,528	642,158
237,274	239,694	267,633	265,453	275,699	279,693
127,341	103,704	119,585	144,858	141,007	157,295
1,339,174	1,417,225	1,563,545	1,683,352	1,733,404	1,669,269
134,610	131,069	148,201	195,909	176,350	173,240
438,940	456,489	494,005	551,970	575,163	560,416
215,724	208,160	191,505	190,749	206,942	219,008
400,873	395,337	418,521	445,690	473,525	459,552
19,548	21,231	22,679	25,863	26,394	27,261
82,736	96,895	107,005	137,726	141,684	121,152
1,337	1,284	1,439	1,642	1,076	1,553
30,953	27,726	33,775	62,335	38,417	43,038
1,222	565	1,267	3,314	363	326
47,691	49,418	53,131	57,535	64,265	61,099
		3,726	1,539		
1,973	6,388				
1,375,607	1,394,562	1,475,254	1,674,272	1,704,179	1,666,645
(36,433)	22,663	88,291	9,080	29,225	2,624
80,887	79,291	76,985	60,957	73,094	84,199
(99,383)	(103,105)	(117,605)	(116,239)	(126,926)	(138,458)
500					
64,290	1,563	129,900	222,685	36,617	23,121
				(36,687)	
				(526)	
21			7,701	1,930	
(621)					
		(124,904)	(118,998)		
(7,259)					
1,973	6,388	1,705	3,578	2,375	2,629
40,408	(15,863)	(33,919)	59,684	(50,123)	(28,509)
3,975	6,800	54,372	68,764	(20,898)	(25,885)
454,085	457,509	463,370	517,742	586,506	565,608
(551)	(939)				
453,534	456,570	463,370	517,742	586,506	565,608
457,509	463,370	517,742	586,506	565,608	539,723
30,953	27,726	33,775	62,335	38,417	43,038
47,691	49,418	53,131	57,535	64,265	61,099
78,644	77,144	86,906	119,870	102,682	104,137
1,375,607	1,394,562	1,473,987	1,674,272	1,704,179	1,666,645
1,973	6,388				
60,240	44,016	42,688	63,519	106,522	68,522
1,313,394	1,344,158	1,431,299	1,610,753	1,597,657	1,598,123
5.99%	5.74%	6.07%	7.44%	6.43%	6.52%

COUNTY OF CONTRA COSTA

PROGRAM REVENUES BY FUNCTION/PROGRAM

LAST EIGHT FISCAL YEARS

(Accrual basis of accounting)

(In Thousands)

(Unaudited)

	Fiscal Year Ended June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities - program revenues								
Charges for services								
General government	$ 73,680	71,976	94,121	81,289	92,169	97,371	102,339	100,315
Public Protection	100,344	117,342	119,133	122,919	137,069	140,065	135,403	130,270
Health and sanitation	51,533	60,587	66,577	61,930	64,221	64,449	65,823	76,938
Public assistance	1,648	2,121	1,456	2,895	1,898	2,323	3,068	2,242
Education	738	687	984	848	838	866	923	992
Public ways and facilities	22,557	24,643	25,273	22,737	28,971	22,240	28,133	14,100
Recreation and culture	36	19	36	33	108	144	214	117
Subtotal	250,536	277,375	307,580	292,651	325,274	327,458	335,903	324,974
Operating grants and contributions								
General government	19,682	19,378	9,496	10,900	20,264	11,151	13,386	11,148
Public protection	119,742	122,134	121,049	123,050	128,668	135,827	130,103	122,280
Health and sanitation	80,561	82,260	85,820	88,114	90,928	94,059	111,516	97,607
Public assistance	308,577	307,544	314,630	336,542	364,668	371,183	372,251	371,390
Education	3,152	3,019	2,768	3,065	3,229	4,055	3,642	3,423
Public ways and facilities	13,134	4,307	6,143	22,657	23,742	43,389	42,591	16,095
Recreation and culture	52	42	232	19	11	707	82	154
Subtotal	544,900	538,684	540,138	584,347	631,510	660,371	673,571	622,097
Capital grants and contributions								
Public protection	76	53	50	50	12	12		
Public ways and facilities	12,497	12,279	6,074	5,579	5,714	8,958	21,797	19,943
Subtotal	12,573	12,332	6,124	5,629	5,726	8,970	21,797	19,943
Total governmental activities program revenues	$ 808,009	828,391	853,842	882,627	962,510	996,799	1,031,271	967,014
Business-type activities program revenues								
Charges for services								
County Hospital	$ 178,040	209,779	247,712	271,216	246,452	248,401	271,565	310,221
Housing Authority	3,536	3,466	3,667	3,885	5,405	6,164	5,406	5,408
Airport	3,002	2,957	3,065	3,090	3,107	3,321	3,433	3,446
Sheriff Law Enforcement Training Center	200	587	705	826	982	927	879	768
HMO Medi-Cal Plan	105,157	113,298	123,488	128,742	67,126	77,261	86,163	98,211
HMO Commercial Plan					65,111	62,010	65,246	68,845
Major risk medical insurance	931	1,662	1,723	1,723	1,953	1,383	1,364	936
Subtotal	290,866	331,749	380,360	409,482	390,136	399,467	434,056	487,835
Operating grants and contributions								
County Hospital	31,886	20,840	19,281	20,379	21,387	20,995	22,604	9,257
Housing Authority	59,459	77,227	92,410	93,176	89,557	86,897	92,233	87,047
Airport	130	978	1,069	452	426	1,813	222	326
Sheriff Law Enforcement Training Center	242	468	392	271	212	391	237	239
HMO Medi-Cal Plan	2,757	3,834	5,422	6,677				
HMO Commercial Plan					14,181	24,819	30,117	38,157
Subtotal	94,474	103,347	118,574	120,955	125,763	134,915	145,413	135,026
Capital grants and contributions								
County Hospital	7,194	4,595	4,201	5,052	5,171	7,677	5,941	6,428
Housing Authority			1,000	2,889	2,774	1,189	1,298	949
Subtotal	7,194	4,595	5,201	7,941	7,945	8,866	7,239	7,377
Total business-type activities program revenues	392,534	439,691	504,135	538,378	523,844	543,248	586,708	630,238
Total primary government program revenues	$ 1,200,543	1,268,082	1,357,977	1,421,005	1,486,354	1,540,047	1,617,979	1,597,252

Data is only available for the last eight fiscal years due to the implementation of GASB 34 in fiscal year ending June 30, 2002.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

GOVERNMENT FUNDS - TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

Fiscal Year Ended	Property Tax	Transient Occupancy Tax	Real Property Transfer Tax	Special Tax Fire/Police	Sales & Use Tax	Total
2000	$ 180,518	1,370	6,554	5,223	10,718	204,383
2001	270,773	1,628	7,294	5,317	11,632	296,644
2002	295,792	1,287	8,273	5,667	11,616	322,635
2003	317,208	1,117	8,434	5,596	10,966	343,321
2004	320,894	1,283	11,161	5,739	10,310	349,387
2005	373,526	1,825	13,826	5,830	8,366	403,373
2006	403,919	1,344	14,043	5,924	9,700	434,930
2007	456,104	1,872	10,427	6,279	9,790	484,472
2008	482,396	1,777	6,664	6,893	10,328	508,058
2009	478,005	1,844	8,614	6,961	10,000	505,424

Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

COUNTY OF CONTRA COSTA

ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Fiscal Year Ended June 30	Assessed Value [1]						Net Increase	
	Real Property	Personal Property	Total	Exemptions	Net Assessed Value of Taxable Property	Total Direct Tax Rate	Amount	Percentage
2000	$ 77,475,617	2,495,049	79,970,666	1,624,132	78,346,534	1.00 %	$ 4,646,979	6.31 %
2001	83,329,641	2,936,004	86,265,645	1,637,667	84,627,978	1.00	6,281,444	8.02
2002	92,091,316	3,350,098	95,441,414	1,951,214	93,490,200	1.00	8,862,222	10.47
2003	99,461,281	3,570,777	103,032,058	2,106,357	100,925,701	1.00	7,435,501	7.95
2004	108,071,968	3,190,706	111,262,674	2,190,126	109,072,548	1.00	8,146,847	8.07
2005	117,931,015	3,167,502	121,098,517	2,322,240	118,776,277	1.00	9,703,729	8.90
2006	130,458,278	3,235,764	133,694,042	2,568,829	131,125,213	1.00	12,348,936	10.40
2007	145,844,300	3,408,666	149,252,966	2,729,501	146,523,465	1.00	15,398,252	11.74
2008	158,953,496	3,592,778	162,546,274	3,101,166	159,445,108	1.00	12,921,643	8.82
2009	159,825,416	3,714,884	163,540,300	3,721,464	159,818,836	1.00	373,728	0.23

[1] Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq. Article XIIIA, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased:
a) to reflect annual inflation up to 2 percent; b) to reflect current market value at time of ownership change; and
c) to reflect market value for new construction.

Source: Auditor-Controller's Office - Property Tax Division - County of Contra Costa, California

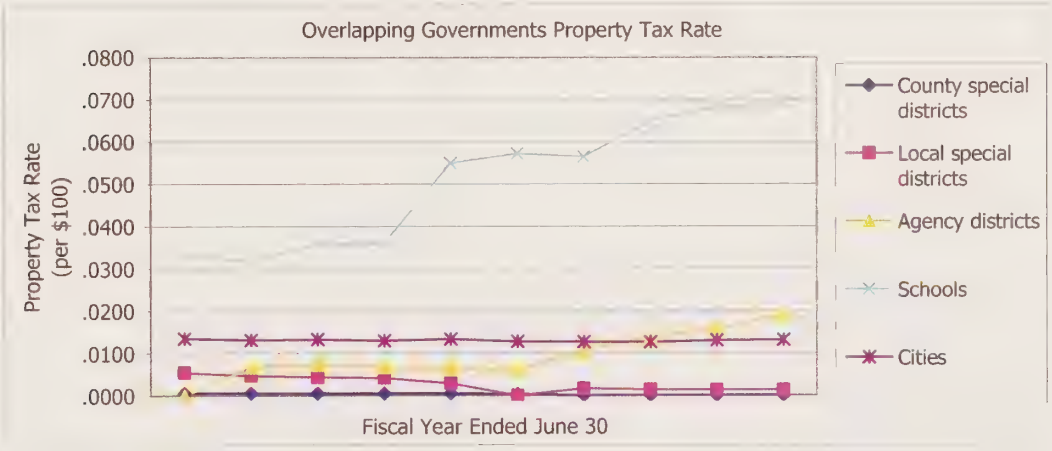
COUNTY OF CONTRA COSTA

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Countywide Rate [1]			County Special Districts	Local [2] Special Districts	Agency Districts	Schools	Cities	Total
	County	Other	Total						
2000	.1375	.8625	1.0000	.0006	.0055	.0099 [3]	.0334	.0135	1.0629
2001	.1367	.8633	1.0000	.0006	.0047	.0067	.0318	.0131	1.0569
2002	.1356	.8644	1.0000	.0005	.0044	.0074	.0357	.0133	1.0613
2003	.1352	.8648	1.0000	.0005	.0042	.0067	.0360	.0130	1.0604
2004	.1342	.8658	1.0000	.0005	.0029	.0064	.0549	.0134	1.0781
2005	.1341	.8659	1.0000	.0004	.0011 [3]	.0059	.0572	.0128	1.0774
2006	.1337	.8663	1.0000	.0000	.0017	.0107	.0564	.0127	1.0815
2007	.1329	.8671	1.0000	.0000	.0014	.0137	.0649	.0126	1.0926
2008	.1330	.8670	1.0000	.0000	.0013	.0158	.0684	.0130	1.0985
2009	.1330	.8670	1.0000	.0000	.0013	.0192	.0691	.0131	1.1027



[1] In June 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a countywide rate is levied with the proceeds distributed to all agencies according to formulas specified by the state legislature. The countywide rate is 1 percent of assessed value ($1 per $100 of taxable assessed valuation). The rates shown above are allocations of the 1% tax on assessed valuation.

[2] The 2005 rate for Local Special Districts includes a negative rate computed for the Los Medanos Community Healthcare District to affect a refund to the taxpayers of $850,000. The District's taxpayers had paid a special property tax for many years to fund the bond payments for healthcare facilities. Because of positive District finances, the District's Board determined the best use of any remaining bond funds (after covering all of the District's bond-related expenses) was to return the balance to taxpayers.

[3] Revised

Source: Auditor-Controller's Office - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA

PRINCIPAL PROPERTY TAX PAYERS

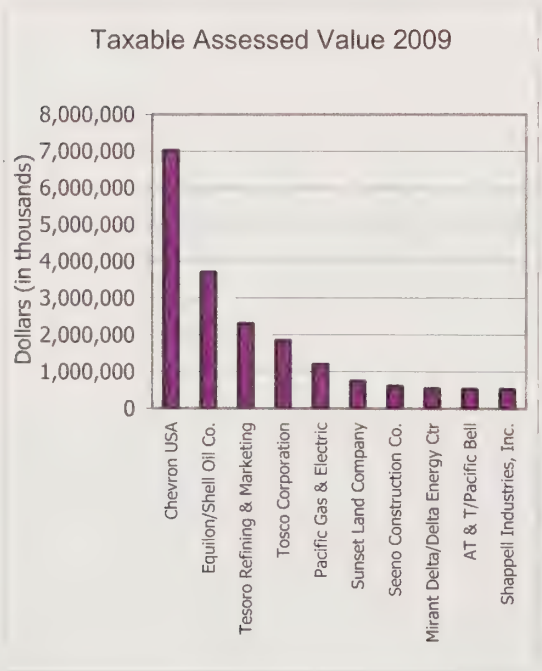
RANKED BY ASSESSED VALUE [1]

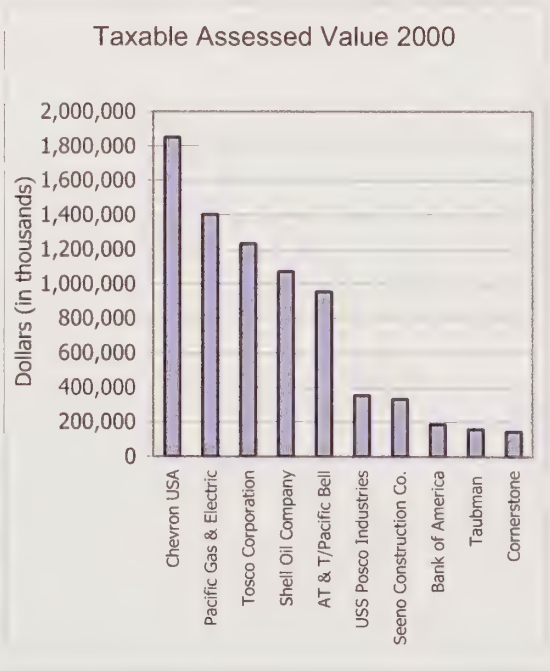
CURRENT YEAR AND NINE YEARS AGO

(In Thousands)

(Unaudited)

	Fiscal Year Ended June 30, 2009			Fiscal Year Ended June 30, 2000		
Taxpayers	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value
Chevron USA	$ 7,027,178	1	4.62 %	$ 1,850,029	1	2.36 %
Equilon/Shell Oil Co.	3,701,044	2	2.43			
Tesoro Refining & Marketing	2,306,945	3	1.52			
Tosco Corporation	1,847,022	4	1.21	1,231,249	3	1.57
Pacific Gas & Electric	1,202,116	5	0.79	1,401,841	2	1.79
Sunset Land Company	749,218	6	0.49			
Seeno Construction Co.	617,935	7	0.41	332,253	7	0.42
Mirant Delta/Delta Energy Ctr	549,140	8	0.36			
AT & T/Pacific Bell	543,666	9	0.36	954,453	5	1.22
Shappell Industries, Inc.	539,087	10	0.35			
USS Posco Industries				353,574	6	0.45
Shell Oil Company				1,070,926	4	1.37
Bank of America				186,853	8	0.24
Taubman				159,884	9	0.20
Cornerstone				145,184	10	0.19
Total	$ 19,083,351		12.54	$ 7,686,246		9.81





[1]Beginning in fiscal year 2003-2004 a refined methodology is used to determine the principal taxpayers. The assessed value of the property of all of a listed taxpayer's component entities are included. Also, ranking is based on assessed valuation which may be different from taxes paid due to special purpose levies paid by some taxpayers.

COUNTY OF CONTRA COSTA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	$ 981,580	$ 965,676	98.38 %	$ 15,848	$ 981,524	99.89 %
2001	1,062,831	1,046,103	98.43	16,501	1,062,604	99.88
2002	1,187,173	1,166,621	98.27	20,262	1,186,883	99.88
2003	1,293,561	1,267,987	98.02	24,282	1,292,269	99.90
2004	1,402,895	1,375,570	98.05	26,367	1,401,937	99.93
2005	1,584,132	1,557,533	98.32	24,606	1,582,139	99.87
2006	1,720,978	1,685,279	97.93	30,073	1,715,352	99.67
2007	1,967,771	1,886,919	95.89	67,473	1,954,392	99.32
2008	2,077,283	1,971,251	94.90	87,040	2,058,291	99.09
2009	2,061,930	1,975,895	95.83		1,975,895	95.83

Source: Auditor-Controller's Office - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA

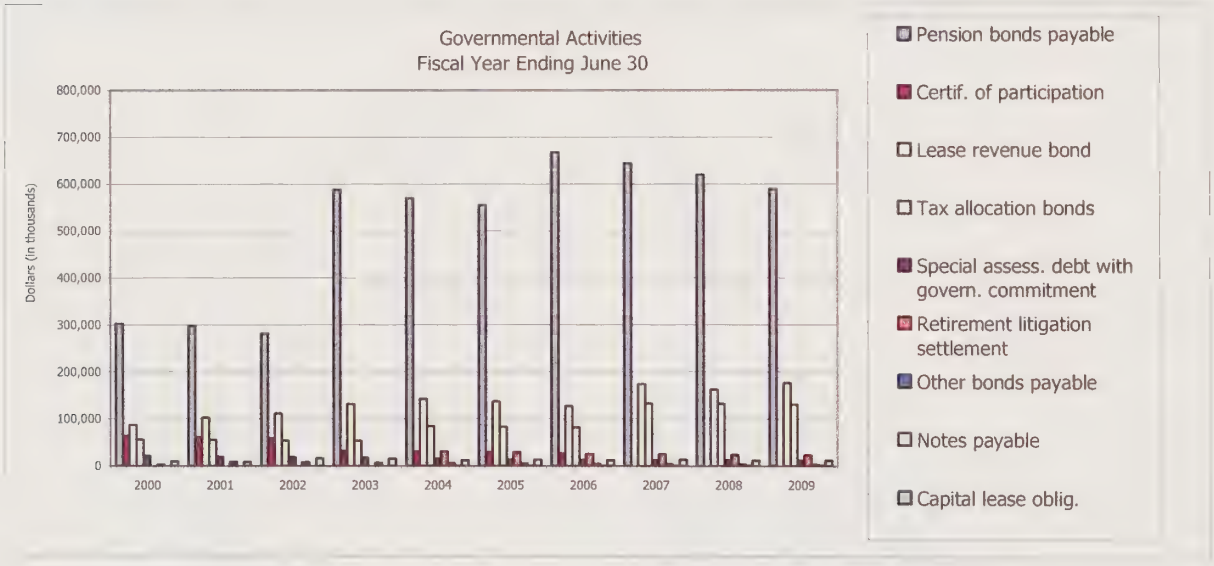
OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(In Thousands)

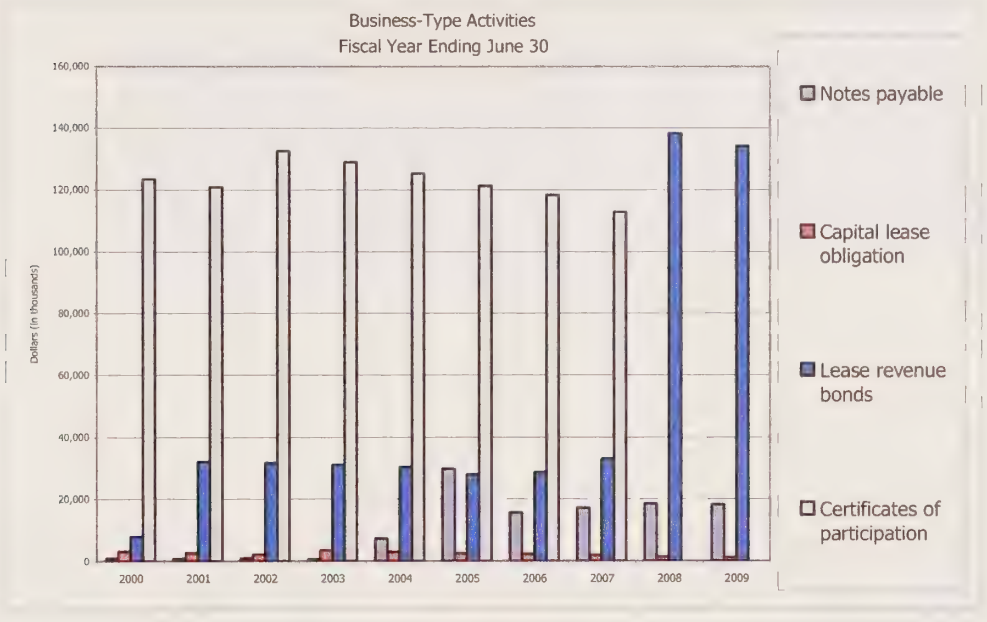
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities: Pension Bonds Payable	Certif. of Partici-pation	Lease Revenue Bonds	Tax Allocation Bonds	Special Assess. Debt with Govern. Commitment	Retirement Litigation Settlement	Other Bonds Payable	Notes Payable	Capital Lease Oblig.	Total
2000	$ 302,275	63,820	87,615	56,150	21,652		3,044	6	9,927	544,489
2001	297,340	61,465	102,245	55,360	20,276		8,505	6	8,988	554,185
2002	281,425	58,665	111,420	54,525	18,589		8,055		16,238	548,917
2003	587,220	31,700	130,960	53,580	17,222		7,140		15,330	843,152
2004	569,220	30,555	142,715	84,295	15,654	30,352	6,130	516	12,235	891,672
2005	554,735	29,365	136,903	83,045	14,006	29,651	5,115	429	13,784	867,033
2006	666,905	27,008	127,766	81,935	13,213	25,527	4,585	339	12,646	959,924
2007	643,990		174,633	133,105	12,389	24,809	4,015	788	13,444	1,007,173
2008	619,135		162,386	132,290	11,740	24,034	3,650	1,482	12,478	967,195
2009	588,920		176,084	130,880	11,075	23,197	3,260	1,384	11,680	946,480



Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

Fiscal Year Ended June 30	Business-Type Activities: Notes Payable	Capital Lease Obligation	Lease Revenue Bonds	Certificates of Participation	Total	Government Total	Ratio Net Debt to Assessed Value	Percentage of Personal Income [1]	Net Debt Per Capita
2000	$ 914	3,169	7,950	123,443	135,476	679,965	0.87 %	1.60 %	$ 731
2001	859	2,716	32,077	120,893	156,545	710,730	0.84	1.63	731
2002	984	2,146	31,760	132,550	167,440	716,357	0.77	1.65	730
2003	562	3,555	31,050	128,980	164,147	1,007,299	1.00	2.28	1,012
2004	7,268	3,017	30,320	125,250	165,855	1,057,527	0.97	2.22	1,050
2005	29,766	2,455	27,997	121,325	181,543	1,048,576	0.88	2.08	1,027
2006	15,651	2,281	28,689	118,307	164,928	1,124,852	0.86	2.11	1,091
2007	17,255	1,899	33,037	112,845	165,036	1,172,209	0.75	2.08	1,052
2008	18,563	1,346	138,319		158,228	1,125,423	0.71	N/A	1,070
2009	18,246	1,083	134,293		153,622	1,100,102	0.69	N/A	1,037



Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

[1] Ratios are calculated using personal income and population data shown in the schedule of Demographic and Economic statistics.

N/A Not Available

COUNTY OF CONTRA COSTA
DIRECT AND OVERLAPPING BOND DEBT
(In Thousands)
(Unaudited)

	Debt Applicable July 1, 2009 [1]	
	Percentage	Amount
2008 - 2009 Assessed Value of Taxable Property (includes unitary utility valuation)		$ 159,782,935
Less: Redevelopment Increments		19,073,433
Adjusted Assessed Valuation		$ 140,709,502
DIRECT GENERAL FUND OBLIGATION DEBT:		
Contra Costa County General Fund Obligations	100	$ 285,315
Contra Costa County Pension Obligations	100	465,455
TOTAL DIRECT DEBT		750,770
OVERLAPPING GENERAL FUND OBLIGATIONS DEBT		
City of Richmond Pension Obligations	100	130,815
Contra Costa County Fire Protection District Pension Obligation	100	123,465
City of Richmond General Fund Obligations	100	99,530
Other Cities' General Fund Obligations	100	75,610
City of Pittsburg Pension Obligations	100	39,441
City of Concord General Fund and Judgment Obligations	100	30,725
City of Antioch General Fund Obligations	100	29,230
West Contra Costa Unified School District General Fund Obligation	100	23,390
Other School Districts' General Fund Obligations	Various	23,011
Antioch Unified School District Certificates of Participation	100	22,715
City of San Ramon General Fund Obligations	100	16,780
San Ramon Valley Fire Protection District Certificates of Participation	100	15,755
Alameda-Contra Costa Transit District Certificates of Participation	11.368	4,862
Other Special District Certificates of Participation	100	3,689
Total Overlapping General Fund Obligations Debt		639,018
OVERLAPPING TAX AND ASSESSMENT DEBT:		
West Contra Costa Unified School District	100	597,710
1915 Act Assessment Bonds (Estimate)	100	439,376
Community Facilities Districts	100	295,954
San Ramon Valley Unified School District	100	286,948
Mt. Diablo Unified School District	100	212,965
Contra Costa Community College District	100	176,050
Acalanes and Liberty Union High School Districts	100	180,116
Bay Area Rapid Transit District	31.414	138,649
Pittsburg Unified School District	100	109,400
East Bay Regional Park District	46.312	58,284
Brentwood Union School District	100	58,450
Other School Districts	Various	70,530
Walnut Creek School District	100	31,585
Martinez Unified School District	100	24,212
Oakley Union School District	100	24,365
West Contra Costa Healthcare District Parcel Tax Obligation	100	23,905
Lafayette School District	100	22,450
Cities and City Special Tax Districts	100	32,650
East Bay Municipal Water District and Special District No. 1	6.287	1,873
Total Overlapping Tax and Assessment Debt		2,785,472
TOTAL DIRECT AND OVERLAPPING DEBT		$ 4,175,260

(continued)

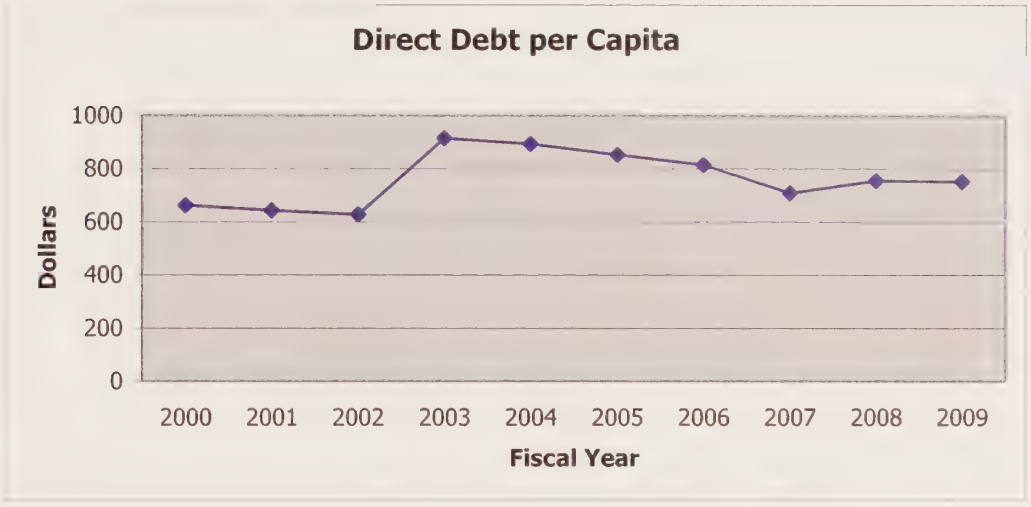
COUNTY OF CONTRA COSTA

DIRECT AND OVERLAPPING BOND DEBT

(In Thousands)

(Unaudited)

	Ratio to Adjusted Assessed Valuation Value (%)		Per Capita
Population [2]			1,060,435
Direct Debt	0.53	$	708
Total Direct and Overlapping Debt	2.97		3,937



Source: [1] California Municipal Statistics, Inc.

a. Percentage of overlapping agency's assessed valuation located within boundaries of the county.

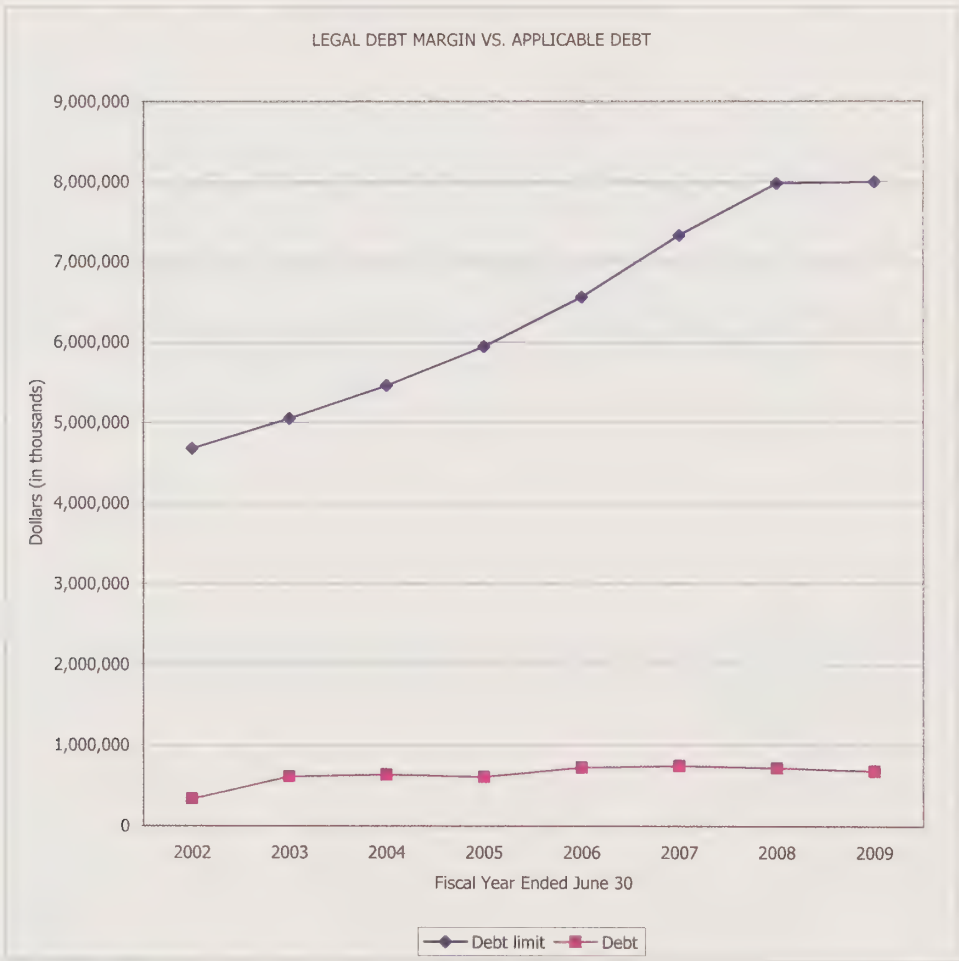
b. Excludes tax and revenue anticipation notes, revenue, mortgage, revenue and tax allocation bonds and non-bonded capital lease obligations.

[2] Not in thousands

(concluded)

COUNTY OF CONTRA COSTA
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS
(In Thousands)
(Unaudited)

		Fiscal Year Ended June 30							
		2002	2003	2004	2005	2006	2007	2008	2009
Assessed value of taxable property	$	93,490,200	100,925,701	109,072,548	118,776,277	131,125,213	146,523,465	159,445,108	159,818,836
Debt limit - 5% of assessed value [1]	(A) $	4,674,510	5,046,285	5,453,627	5,938,814	6,556,261	7,326,173	7,972,255	7,990,942
Amount of debt applicable to debt limit [2]									
Total bonded debt		344,005	641,810	654,030	637,780	748,840	777,095	751,425	719,800
Less: Assets of debt service funds		7,875	26,632	16,708	28,981	21,157	31,034	32,097	38,857
Total net general obligation debt	(B)	336,130	615,178	637,322	608,799	727,683	746,061	719,328	680,943
Legal debt margin	(A - B) $	4,338,380	4,431,107	4,816,305	5,330,015	5,828,578	6,580,112	7,252,927	7,309,999
Total net general obligation debt applicable to the limit as a percentage of debt limit		7.19%	12.19%	11.69%	10.25%	11.10%	10.18%	9.02%	8.52%



[1] California Government Code Section 29909 limits General Obligation Bond indebtedness to five percent of the total assessed valuation of all taxable real and personal property within the county.

[2] Does not include Public Financing Authority nor Assessment District debt.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

(Unaudited)

Fiscal Year Ended June 30	Population[1]	Personal[2] Income	Per Capita[2] Personal Income	Median[3] Age	Education[4] Level	School[5] Enrollment	Average[6] Unemployment Rate
2000	930,025	42,417,859	44,496 #	36.4	36.5	272,905	3.5 %
2001	972,103	43,472,330	44,724 #		37.4	273,467	4.0
2002	981,555	43,304,580	44,124 #		35.9	278,456	5.7
2003	994,908	44,177,166 #	44,661 #		38.7	269,081	6.1
2004	1,007,606 #	47,550,512 #	47,797 #	37.1	36.3	280,523	5.4
2005	1,020,898	50,199,803 #	50,097 #	37.2	37.8 #	284,773	5.1
2006	1,030,732 #	53,876,204 #	53,571 #	37.5	37.2	277,459	4.5
2007	1,042,341	56,396,753	55,580	37.9	37.1	272,443	4.7
2008	1,051,674	N/A	N/A	38.1	38.7	280,617	6.3
2009	1,060,435	N/A	N/A	N/A	N/A	N/A	10.8

Revised

N/A Not Available

[1] California Department of Finance Estimate for January 1 of each year.

[2] U.S. Department of Commerce - Bureau of Economic Analysis (thousands)

[3] U.S. Census Bureau

[4] Percent of population with Bachelor or Graduate Degree - U.S. Census Bureau

[5] Population three years and over enrolled in school - U.S. Census Bureau

[6] State of California - Employment Development Department - June Data

COUNTY OF CONTRA COSTA

PRINCIPAL EMPLOYERS [1]

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2009 [2]			2000 [4]		
Employer	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Chevron Corp.	4,700	1	0.99 %	3,500	2	0.72 %
Kaiser Foundation Hospital	2,300	2	0.49	2,300	3	0.48
John Muir Medical Center	1,900	3	0.40	1,900	4	0.39
Bio-Rad Laboratories	1,700	4	0.36			
John Muir/Mt. Diablo Medical Center	1,500	5	0.32	1,500	5	0.31
24 Hour Fitness	1,300	6	0.27			
Doctors Medical Center	1,000	7	0.21	1,000	6	0.21
USS Posco Industries	975	8	0.20	975	7	0.20
Contra Costa Newspapers, Inc.	900	9	0.19	900	8	0.18
Bank of the West	800	10	0.17	700	9	0.14
Kaiser Permanente				5,000	1	1.03
Aetna Health Services				600	10	0.12
All Others	456,725		96.40	464,025		96.22
Total	473,800 [3]		100.00 %	482,400 [5]		100.00 %

Contra Costa County Employment by Industry [6]
2009 Annual Average

Trade, Transportation, & Utilities	18.60 %
Government	17.85
Professional & Business Services	15.53
Educational & Health Services	12.85
Financial Activities	5.36
Leisure & Hospitality	8.74
Natural Resources & Mining	0.12
Manufacturing	8.88
Other Services	3.57
Information	2.70
Agriculture	0.17
Construction	5.63

[1] Government Employers Excluded

[2] Rich's Everyday Sales Prospecting Directory (2009) - Contra Costa County

[3] State of California Employment Development Department, 2009 annual, not adjusted

[4] Rich's Everyday Sales Prospecting Directory (2001) - Contra Costa County

[5] State of California Employment Development Department, 2000 annual, not adjusted

[6] State of California Employment Development Department, June 2009, not adjusted

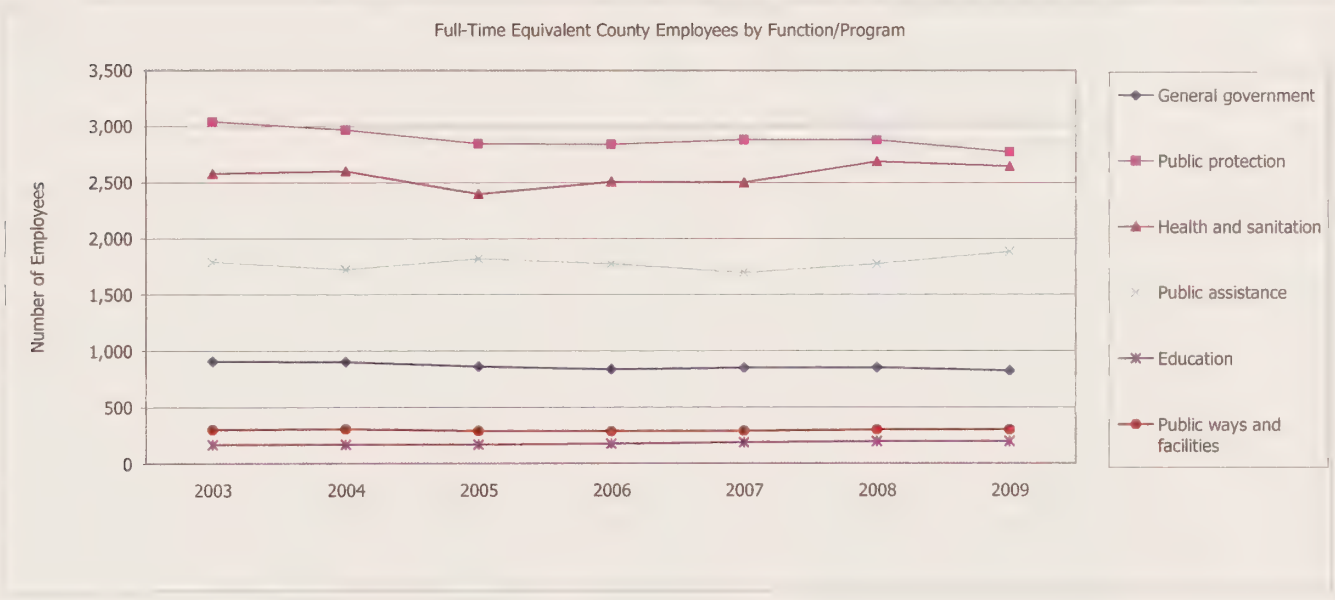
COUNTY OF CONTRA COSTA

FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM

LAST SEVEN FISCAL YEARS

(Unaudited)

Function	Full-time Equivalent Employees as of June 30						
	2003	2004	2005	2006	2007	2008	2009
General Government	908	904	861	838	852	854	825
Public Protection	3,041	2,969	2,847	2,841	2,883	2,880	2,773
Health and Sanitation	2,579	2,600	2,396	2,507	2,499	2,689	2,645
Public Assistance	1,788	1,723	1,819	1,774	1,697	1,775	1,884
Education	167	167	167	176	187	197	197
Public Ways and Facilities	302	307	291	287	291	302	301
Total	8,785	8,670	8,381	8,423	8,409	8,697	8,625



Source: County Administrator's Office, Contra Costa County, California

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST EIGHT FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
General Government			
Assessor			
Number of Assessment Roll Units - Secured	323,710	328,537	332,630
Number of Assessment Roll Units - Unsecured	49,523	50,140	50,242
Auditor-Controller			
Tax Rate Areas Administered	1,136	1,141	1,171
County Counsel			
Tort Claims Filed Against County Transferred to County Counsel	246	254	280
Juvenile Law Contests Set for Each Child	2,971	2,531	2,259
Standard Forms Services Agreements			
Formal Written County Counsel Opinions			
Clerk-Recorder			
New Voter Registration		23,021	41,377
Updates to Voter Registration			
Cancelled Voter Registration		6,158	35,596
Total Voter Registration	476,935	484,640	444,167
Recorded Documents	419,868	583,521	722,437
General Services			
Fleet Operations			
Fleet Size			
On Road Fleet			
Vehicles Maintained			
Vehicle Availability Rate			
Vehicle Repair Orders			
Billable Hours			
CNG Usage (Gal)			
Unleaded Gasoline Usage (Gal)			
Diesel Usage (Gal)			
Total Fuel Usage (Gal)			
Miles Traveled			
CNG Vehicles			
E-85 Vehicles			
Hybrid Vehicles			

2005	2006	2007	2008	2009
338,032	345,212	353,469	355,637	356,213
49,238	49,488	49,909	48,963	48,281
1,024	1,024	1,040	1,057	1,064
253	274	255	255	277
2,890	3,063	3,449	2,596	1,873
				1,486
				26
82,571	22,172	32,304	63,003	79,155
		49,838	113,810	77,250
28,110	14,450	30,063	21,328	24,461
504,505	492,656	464,042	493,315	524,229
574,294	581,595	447,969	332,167	305,382
	1,473	1,464	1,526	1,518
	1,175	1,285	1,330	1,313
	1,599	1,515	1,540	1,518
	96.05%	95.89%	95.42%	93.91%
	5,824	5,368	5,373	6,927
	16,825	16,660	17,867	17,651
	15,877	17,145	22,254	24,196
	826,739	820,733	824,467	763,722
	101,892	89,990	105,605	113,873
	944,508	927,868	952,326	901,791
	10,900,129	10,436,107	11,686,360	11,847,115
	35	36	38	54
	22	29	44	85
	63	72	83	109

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST EIGHT FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
General Government (continued)			
General Services continued			
Print and Mail			
Copies & Impressions Produced			32,161,483
Amount of Mail Processed			4,461,591
Real Estate Services			
Acquisition Leases Negotiated			
Revenue Leases Negotiated			
Licenses/Permits Issued			
Leases Renewed or Amended			
Leases Terminated			
Special Projects, Reports, Studies			
Leased Buildings Managed			
Leased Buildings Square Footage			
County Owned Buildings			
County Owned Buildings Square Footage			
Purchasing/Materials Management			
Purchase Orders Processed			
Formal On-Line Solicitations (Bids)			
Dollar Value of Processed Purchase Orders			70,535,554
Estimated Savings on Bids			
Building Expenses			
Electricity Expense			6,497,771
Natural Gas Expense			1,395,284
Water Expense			794,117
Sewer Expense			453,533
Garbage Expense			860,239
Total Utilities Expense		10,638,214	10,000,944
Building Debt Service Expense		29,094,151	34,346,876
Rent Expense		8,265,779	8,411,466
Property Insurance Expense		1,906,782	2,013,306
Taxes and Assessments Expense		267,810	223,783

2005	2006	2007	2008	2009
28,720,591	32,161,483	29,669,219	29,170,473	29,172,931
4,586,664	4,411,824	4,347,545	3,885,354	3,941,525
		8	10	11
		2	3	
				10
		26	12	17
		16	7	6
		23	28	24
		209	205	198
		1,914,476	1,830,393	1,910,523
		257	261	267
		2,686,424	2,753,200	2,856,676
	4,243	4,433	4,560	5,249
			224	212
80,671,297	79,188,531	85,717,001	91,059,826	89,435,095
			1,629,365	
7,140,149	6,945,811	7,016,109	7,014,696	7,610,113
1,360,646	1,711,079	1,783,934	1,808,847	1,774,528
872,751	901,781	870,288	841,329	982,009
451,094	472,280	508,979	542,001	542,624
785,324	751,670	793,068	773,514	741,501
10,609,964	10,782,621	10,972,378	10,980,387	11,650,775
31,161,691	31,340,978	32,035,960	33,134,182	31,358,197
8,323,056	7,917,009	8,050,262	7,404,969	9,531,167
1,779,012	2,409,659	2,808,278	2,378,103	3,426,481
257,765	188,825	225,548	198,781	279,107

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST EIGHT FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
General Government (continued)			
General Services continued			
Facilities Maintenance			
Work Requests Received			75
Work Requests Completed			3
Non-Emergency Requests Received			85
Emergency Requests Received			21
Completed Remodel & Security Upgrades			
Capital Projects			
Number of Projects			
Value of Projects			
Number of Construction Contracts Awarded			
Dollar Value of Construction Contracts			
Number of Projects Completed			
Human Resources			
Employment Applications Processed	14,100	21,901	14,860
Examinations Conducted	206	196	150
Personnel Transactions Processed			
Appointments			
Percentage of Applications Received as a result of the Online Application Process			22.00%
Information Technology			
Enterprise Server Transactions Monthly			
Enterprise Server Availability			
Viruses Stopped			
Spam Emails Stopped			
Tax Collector-Treasurer			
Secured Tax Bills	318,922	330,214	334,983
Unsecured Tax Bills	50,651	51,794	53,558
Supplemental Tax Bills	41,697	46,602	46,425
Business Licenses Issued	8,543	6,889	7,160

2005	2006	2007	2008	2009
6,467	10,457	11,559	14,730	13,543
5,675	9,627	11,112	14,054	10,834
3,700	5,610	6,497	10,041	8,330
3,498	5,963	6,006	6,149	6,209
				54
				57
				120,000,000
				27
				1,900,000
				25
15,982	15,817	26,334	24,048	13,557
166	221	223	248	229
		12,185	31,700	24,903
943	1,103	1,329	841	404
25.00%	35.00%	53.30%	80.50%	82.00%
11,000,000	9,000,000	3,026,138	2,246,295	2,100,000
100.00%	99.00%	99.00%	99.98%	99.00%
920,000	3,100,000	47,879	3,000	5,000
3,000,000	11,000,000	73,000,000	180,000,000	190,000,000
328,061	338,259	345,429	353,607	355,847
50,062	48,739	54,139	52,401	51,814
42,679	43,736	56,995	22,932	25,180
6,255	6,157	6,387	6,231	6,256

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST EIGHT FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
Public Protection			
Agriculture			
Number of Shipments Inspected/ Profiled	36,607	37,371	45,153
Pest Control Inspections	1,003	905	876
Number of Taxis Inspected	460	294	339
Number of Petroleum Dispensing Devices Inspected	3,465	3,807	5,782
Animal Services			
Licenses Sold	44,064	44,235	44,062
Animals Handled	26,631	24,752	24,604
Animals Adopted	3,779	4,267	4,110
Animals Returned to Owner	2,812	2,871	2,595
Building Inspection			
Plans Reviewed	1,363	1,987	1,920
Permits Issued	10,707	12,096	12,736
Inspections Performed	54,461	53,612	63,730
Code Enforcement Cases Opened	975	1,117	1,323
Child Support Services			
Number of Cases			
Community Development			
Number of Land Use Applications Received	908	986	1,114
Number of Land Use Entitlements Issued			
Solid Waste Diverted from Landfills			
Number of Affordable Housing Units Provided			
Financial Assistance			
Fire Protection Services			
Contra Costa Fire Protection District			
Emergency Calls	37,655	40,420	40,726
Fire Calls	2,007	2,301	2,113
Medical Calls	19,533	26,045	28,043
Inspections Performed	2,536	3,187	2,438
East County Fire Protection District (Calendar Year)			
Emergency Calls	686	4,326	4,469
Fire Calls	58	470	445
Medical Calls	524	3,360	3,373
Inspections Performed	90	150	350

2005	2006	2007	2008	2009
60,912	78,263	88,094	74,797	69,934
1,019	1,047	741	651	657
271	229	224	198	375
4,917	2,951	4,819	6,159	6,040
44,822	45,977	41,054	37,753	39,936
24,056	25,043	23,987	18,706	24,815
4,218	5,584	5,606	6,746	6,862
2,482	2,363	2,364	2,366	2,303
2,074	2,152	2,035	1,986	
13,194	13,629	13,492	11,415	
70,331	81,363	95,189	78,024	
1,699	2,260	1,537	1,431	
	38,482	37,657	36,416	35,952
1,182	1,165	1,080	917	
		521	486	
		50%	54%	
		767	432	
41,100	42,255	45,188	45,504	44,491
1,981	1,914	2,175	1,940	1,770
28,815	29,864	30,401	30,244	29,997
1,888	1,198	1,970	2,180	5,433
4,910	5,016	5,387		5,555
421	424	453		439
3,606	3,640	3,875		3,970
650	800	800		800

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST EIGHT FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
Public Protection (continued)			
District Attorney (Calendar Year)			
Felony Cases Filed	4,356	3,701	4,264
Misdemeanor Cases Filed	13,280	13,339	12,307
Probation			
Court Reports	7,343	6,783	8,873
Average Supervision Caseload (Including Home Sup.)	5,473	5,450	4,671
Juvenile Hall Detention Care Days	55,153	52,016	46,586
Youth Rehabilitation Care Days	33,214	32,763	32,216
Juvenile Community Service Days Worked	5,311	4,746	4,110
Public Administrator			
Cases Opened			87
Cases Closed			75
Public Defender (Calendar Year)			
Cases Handled			
Felony	4,364	3,977	3,765
Misdemeanor	8,873	7,263	6,948
Juvenile			
Criminal	2,473	2,381	2,319
Probate Guardian	511	566	568
Superior Court	2,081	2,457	2,013
Other/Order to Show Cause (OSC)	537	367	304
Sheriff			
Calls for Service			
Priority 1 - Respond immediately	113,845	111,385	107,297
Priority 2 - Respond as soon as possible	57,564	61,021	53,375
Priority 3 - Respond when available	148,816	151,347	147,141
Citations Issued	20,303	21,167	19,864
Crime Reports Processed	31,966	25,838	31,400
Warrants Served	16,359	16,423	15,070
Custody Services			
Bookings - Detention Facility	25,622	25,612	24,683
Bookings - Custody Alternative	3,691	3,873	3,909
Average Daily Population - All Facilities		1,868	1,582

2005	2006	2007	2008	2009
4,564	5,423	5,081	4,319	
10,843	10,726	11,108	10,895	
8,873	9,391	10,320	9,417	7,986
4,555	4,602	6,902	7,555	4,906
36,428	56,862	51,684	62,179	63,432
32,384	33,578	35,171	35,437	36,409
4,365	3,924	3,405	3,275	0
93	90	156	162	177
93	103	136	141	162
4,152	3,891	3,458	2,998	
6,932	8,264	8,196	7,666	
3,304	3,510	2,953	3,787	
629	498	486	470	
1,888	2,196	2,336	2,314	
413	562	979	1,110	
119,675	121,261	123,871	115,936	113,595
57,134	57,634	55,804	52,248	51,982
155,548	154,915	156,484	163,112	151,825
24,795	21,657	20,026	15,455	13,154
31,726	30,607	34,024	32,092	29,164
14,175	19,799	7,730	7,514	8,806
25,072	25,144	24,955	23,556	23,126
4,176	3,874	3,333	4,259	4,268
1,673	1,715	1,639	1,552	1,494

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST EIGHT FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
Health and Sanitation			
Health Services			
Mental Health			
Inpatient Average Daily Census	263	294	310
Outpatient Visits	347,760	394,296	418,644
Conservatorship Clients	7,192	7,451	8,119
Alcohol & Other Drugs			
Residential Days	80,057	83,021	86,486
Outpatient Visits	74,139	76,361	77,317
Detention - Average Monthly Inmates	1,756	1,629	1,593
Public Health			
AIDS/HIV Tests	3,602	3,624	3,160
Immunizations Given	45,147	48,911	43,505
Senior Nutrition Meals Served	442,604	440,271	438,587
Environmental Health			
Hazardous Material Incident Responses	3,156	2,616	3,336
Environmental Health Inspections	34,776	28,524	32,436
California Child Serves Cases	2,325	2,473	2,565
Homeless Clients in Shelters	477	513	557
Public Assistance			
Community Services			
Number of Children Served (Head Start)	3,272	3,326	3,600
Number of Dwellings Weatherized		603	501
Employment and Human Services			
Average Number of Households Receiving Food Stamps		8,640	9,805
Welfare Warrants Issued			
Welfare Direct Deposit Items			
Number of Adult Protective Service Reports	1,396	1,727	1,849
Average Monthly Number of Medi-Cal Beneficiaries	89,946	95,673	101,786
Number of Children Served by Child Welfare	4,493	4,344	4,341
Number of Families Receiving Childrens Services	2,351	2,393	2,411
Average Number of Children in Foster Care	2,323	2,206	2,055
Average Number of Families receiving CalWORKS Assistance			
Average Number of Welfare to Work Participants			
Average Participants for In-Home Support Services			

2005	2006	2007	2008	2009
340	333	323	303	340
367,476	338,072	300,883	317,256	367,476
8,676	8,876	9,176	9,119	8,676
86,854	80,122	77,844	72,024	86,854
63,183	58,813	64,785	64,767	63,183
1,632	1,659	1,631	1,560	1,632
2,166	2,784	2,765	2,738	2,166
31,313	27,180	19,926	21,108	31,313
458,333	463,668	452,722	488,119	458,333
2,808	3,356	3,248	3,713	3,048
26,160	36,091	38,864	53,787	26,160
2,739	2,864	3,054	3,195	2,739
635	707	721	736	635
3,427	3,480	3,120	3,350	3,553
310	439	434	303	271
11,545	12,737	13,777	15,182	18,785
94,098	100,670	13,046		
9,041	7,544			
1,508	1,563	1,724	1,964	1,977
106,760	111,575	111,780	114,105	122,523
4,033	3,714	3,680	3,486	2,932
2,261	2,123	2,100	2,017	1,770
1,523	1,834	1,717	1,141	1,049
8,859	9,019	8,956	9,152	9,973
2,884	3,016	3,504	3,605	4,410
6,902	6,239	6,562	7,111	7,574

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST EIGHT FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
Public Assistance (continued)			
Veteran Services			
Claims/Appeals Filed for the Benefit of Veterans	1,321	1,712	1,803
Interviews	3,663	4,525	5,010
Incoming Calls Received			
State of California College Fee Waiver Applications			
Number of Veterans receiving monthly benefits			
Number of Veterans, Family Members, Dependents or Survivors receiving retroactive or lump sum benefits			
Education			
Library			
Library Visits	2,744,678	3,127,801	3,223,863
Items Circulated	4,036,417	4,253,135	4,522,958
Annual Hours Open	42,712	51,086	51,822
Cooperative Education			
4-H Club Membership		900	611
Youth Federal Nutrition Program			
Public Ways and Facilities			
Public Works			
Pavement Condition Index Rating	87	87	87
Flood Control Development Reviews	510	467	502
Land Development Reviews	68	102	81
Service Requests			

2005	2006	2007	2008	2009
1,698	1,781	2,039	2,193	2,140
4,964	5,170	5,143	5,500	5,467
				14,798
				372
				941
				1,069
3,284,934	3,422,469	3,426,151	3,742,311	3,878,217
4,736,101	4,929,783	5,428,511	6,132,207	6,728,411
51,555	53,820	55,484	56,940	57,148
611	847	836	906	
		3,859	3,214	
87	86	85	83	79
549	559	552	447	310
75	89	79	47	31
		2,266	1,897	1,620

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST EIGHT FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
Enterprise Activities			
Hospital			
Hospital & Clinics			
Inpatient Days	48,095	48,681	49,465
Outpatient Visits	339,398	376,464	400,332
Health Maintenance Plans			
CCHP M-Cal Plan Enrollees	40,366	41,225	42,238
CCHP Commercial Plan Enrollees	16,805	18,460	20,147
CCHP Major Risk Enrollees	150	229	225
Sheriff Training Center			
Law Enforcement Training Academy- LETC			
Number of Students- Academy		139	87
Number of Students- In Service		2,201	1,976
Hours of Instruction- Academy		3,350	1,821
Hours of Instruction- In Service		3,454	2,421
Airport (Calendar Year)			
Aircraft Operations (Take off / Landing)			
Buchanan	143,649	138,572	119,106
Byron (Estimated)			

Source: Contra Costa County Departments

2005	2006	2007	2008	2009
48,125	49,936	47,026	45,126	48,125
434,467	421,479	418,236	433,541	434,467
43,656	42,519	44,744	48,393	43,656
20,188	20,954	21,749	31,218	20,188
212	134	85	68	212
80	72	102	120	95
2,587	2,821	2,905	2,690	2,007
3,053	2,016	2,603	2,776	2,200
2,505	2,284	2,575	2,228	2,436
128,375	124,102	93,881	92,951	93,881
	60,000	50,000	50,000	50,000

(concluded)

COUNTY OF CONTRA COSTA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST EIGHT FISCAL YEARS

(Unaudited)

Function	Fiscal Year Ended June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
General Government								
Clerk-Recorder								
DFM Mark-A-Vote System								
Data General Terminal	1	1	1	1	1	1	1	1
Card Readers	14	14	14	14	20	20	20	20
BCWin Terminal	1	1	1	1	4	4	4	4
Election Systems and Software								
M100 Precinct Tally Machines					768	768	768	768
AutoMark- ADA Assist Ballot Marking Devices					768	768	768	768
M650 High Volume Ballot Scanners					4	4	5	6
Public Protection								
Animal Services								
Animal Shelters	2	2	2	2	2	2	2	2
Fire Protection Services								
Contra Costa Fire Protection District								
Fire Stations	30	30	30	30	30	30	30	30
Fire Engines/Trucks/Other Apparatus	87	88	88	90	92	91	90	97
East County Fire Protection District								
Fire Stations					8	8	8	8
Fire Engines/Trucks/Other Apparatus					26	25	25	25
Probation								
Juvenile Hall - Certified Beds					290	290	290	290
Orin Allen Youth Rehabilitation Facility - Certified Beds					100	100	100	100
Sheriff								
Square Miles Patrolled	521	521	521	521	521	521	521	521
Detention Facilities	3	3	3	3	3	3	3	3
Public Ways and Facilities								
Public Works								
Miles of Road Maintained	661	658	659	661	664	664	664	664
Miles of Creek/ Channels Maintained	75	75	75	75	75	75	75	75
Enterprise Activities								
Hospital								
Hospital	1	1	1	1	1	1	1	1
Sheriff Training Center								
Law Enforcement Training Academy- LETC	1	1	1	1	1	1	1	1
Airport								
Buchanan	1	1	1	1	1	1	1	1
Byron	1	1	1	1	1	1	1	1
Education								
Community Libraries	23	23	23	23	24	25	25	25

Source: Contra Costa County Departments

COUNTY OF CONTRA COSTA

MISCELLANEOUS STATISTICS

(Unaudited)

GEOGRAPHICAL LOCATION:	Contra Costa County is located near San Francisco in the Bay Area. It is bordered by San Francisco Bay and San Pablo Bay on the west, by Suisun Bay and the Sacramento and San Joaquin Rivers on the north, by the delta country of San Joaquin County on the east and by Alameda County on the south.
ALTITUDE:	Sea level to 3,849 feet
AREA OF COUNTY:	732.6 square miles of land and 73.3 square miles of water.
COUNTY SEAT:	Martinez, California
FORM OF GOVERNMENT:	General Law County, governed by a five member Board of Supervisors. Contra Costa County is one of the original 27 counties established when California became a state in 1850.

Source: County Administrator's Office

	November 4, 2008 General Election	May 19, 2009 Statewide Special Election
REGISTERED VOTERS	527,145	524,229
NUMBER VOTING	456,876	185,406
PERCENT VOTING	86.67%	35.37%

Source: County Clerk-Recorder Department, Elections Division

STATES of AMERICA
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E PLURIBUS UNUM
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ONE CENT
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Abraham Lincoln Commemorative Silver Dollar

The year 2009 marked the bicentennial anniversary of the birth of Abraham Lincoln. The Secretary of the Treasury has minted and issued $1 silver coins in commemoration of this milestone anniversary. The beautiful Abraham Lincoln Commemorative Silver Dollar celebrates the life and legacy of one of America's greatest leaders.

The Nation's 16th President, serving from 1861 – 1865, Lincoln demonstrated uncommon courage during the Civil War. Today, his life is commemorated in music, poetry and sculpture; his words are quoted by poets and politicians; and his face appears on coins, currency and postage stamps. Mountains, cities, highways and schools throughout the country bear his name.

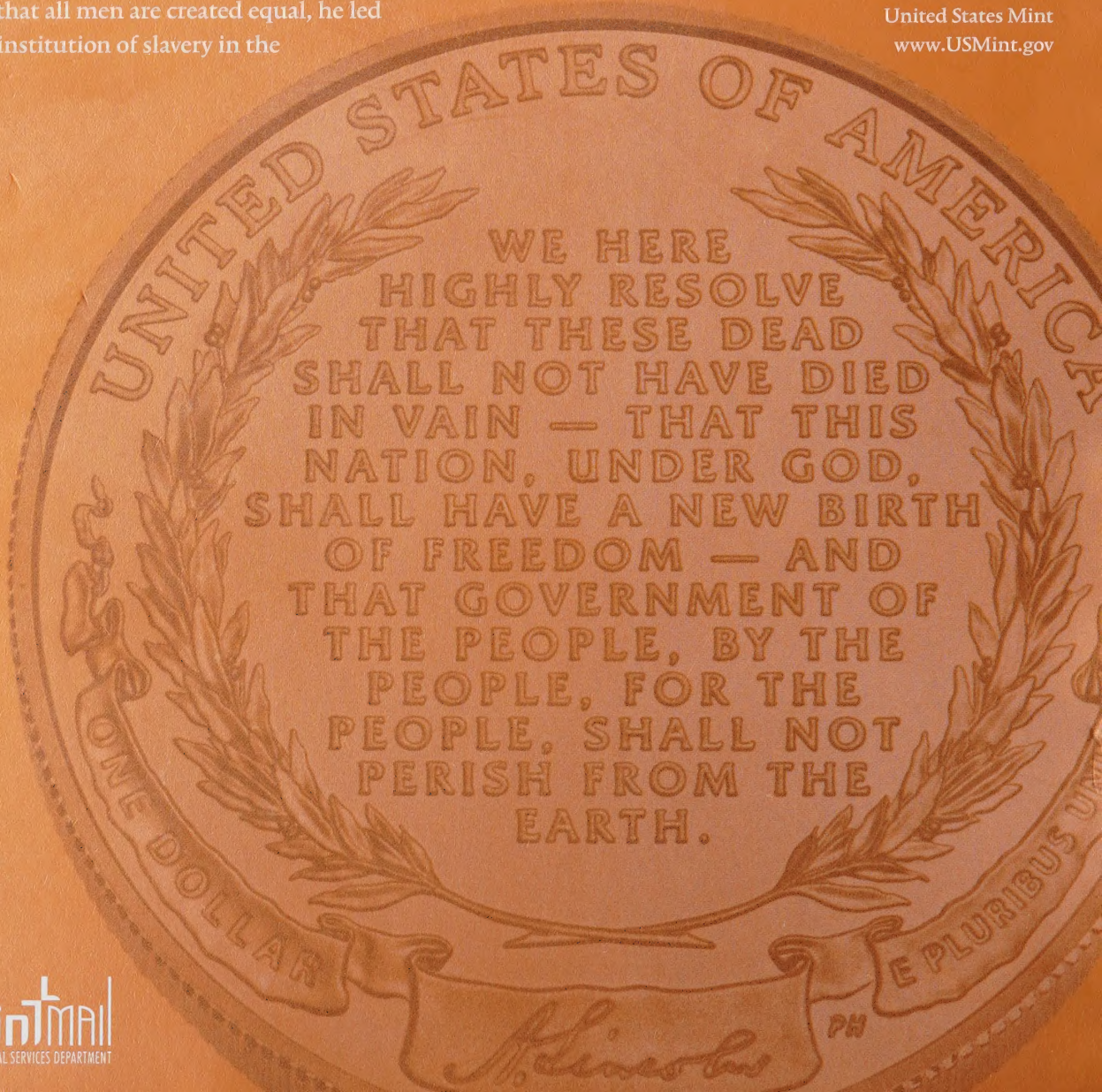
Born of humble roots in present-day LaRue County, Kentucky, on February 12, 1809, Lincoln reached the presidency through a combination of honesty, integrity, intelligence and commitment to the United States of America. With the firm belief that all men are created equal, he led the effort to end the institution of slavery in the United States.

In dedicating the Gettysburg National Cemetery in Pennsylvania, site of one of the fiercest battles of the war, Lincoln eloquently reminded the country and the world why it was being waged in his Gettysburg Address.

The last 43 words of his most famous speech are inscribed on the reverse of the Abraham Lincoln Commemorative Silver Dollar, encircled in a laurel wreath placed at its center. Under the wreath is a curling banner with Lincoln's signature incused in the center. The reverse was designed and sculpted by U.S. Mint Sculptor-Engraver Phebe Hemphill.

The front of the silver dollar coin, displayed on the front of this report, features an image of President Lincoln. The image is symbolic of Lincoln's strength and resolve, and was inspired by Daniel Chester French's famous sculpture of the President that sits inside the Lincoln Memorial in Washington, D.C.

United States Mint
www.USMint.gov


UNITED STATES OF AMERICA
WE HERE HIGHLY RESOLVE THAT THESE DEAD SHALL NOT HAVE DIED IN VAIN — THAT THIS NATION, UNDER GOD, SHALL HAVE A NEW BIRTH OF FREEDOM — AND THAT GOVERNMENT OF THE PEOPLE, BY THE PEOPLE, FOR THE PEOPLE, SHALL NOT PERISH FROM THE EARTH.
ONE DOLLAR
E PLURIBUS UN
PH

Designed & Printed by PrintMail GENERAL SERVICES DEPARTMENT